Government of India

Budget for 1923-24 and
1924-25

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GOVERNMENT OF INDIA

FINANCE DEPARTMENT

BUDGET FOR 1923-24

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GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

BUDGET FOR 1923-24.

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Speech of the Finance Member

INTRODUCING THE

BUDGET FOR 1923-24.

INTRODUCTORY.

MR. PRESIDENT,

In rising to-day to present the budget statement for 1923-24, I claim, and I know I shall receive, the privileges of a new-comer and a new Member. It is a great privilege for me thus to be able to fulfil an old dream of returning to the land of my birth to serve India as so many of my ancestors have done. But two months is a very insufficient time for the task of preparing to present a budget to this House. I am, however, in many ways fortunate. First and foremost, I have the devoted services of the Finance Department under the Hon'ble Mr. Cook. Without their help there would have been no budget. I am the inheritor of the fruits of three years of hard labour of my friend Sir Malcolm Hailey. If there is a gleam of light in the budget which I am about to present, it is his doing. The fruit is the fruit of seed which he had sown, and I am reaping where he has ploughed. I am afraid that he had to put up with much inclement weather, with storms and rumours of storms, but if there is promise of harvest to-day, the credit is to him. For nothing perhaps am I more indebted to him than for his share in the credit of securing the appointment of the strong and able Retrenchment Committee, which has been so well presided over by Lord Inchcape. Possibly the most interesting part of the papers which I am laying on the table to-day and in the next few days in connection with the budget will be the report of the Inchcape Committee. Lord Inchcape shocked my modesty a few days ago by describing himself as my forerunner. He and his colleagues can perhaps be more aptly compared to the burly forwards in the American game of football on whom falls the duty of charging ahead of the man with the ball and beating down, with all permissible violence, any opponent who threatens to check his progress. Whatever views individual Members may take of this or that recommendation for retrenchment made by the Committee,—and I never heard any recommendation for retrenchment anywhere, except the stopping of the salary of the Finance Member, which was really popular,—I know the whole House will be unanimous in joining with me in expressing our heartfelt gratitude to the Committee for their devoted work, and, as I think I may promise, for their remarkable success in what is the most ungrateful of all ungrateful tasks.

2. Mr. President, my first duty to-day is to lay before this House the figures of the outturn, or rather the probable outturn, of the year 1922-23. Since I came to India, I have much envied the position of the British Chancellor of the Exchequer who, in presenting his budget, is always able to give accurate figures for the year which, under the British system, has just closed and not, as under the Indian system, is about to close. He is not confronted, as I am, with the necessity of making what is after all only a second guess on the basis of the first nine or ten months' experience of what the real figures are for the year preceding the year to which the budget which he is presenting relates. When I have laid before the House the figures for 1922-23, I hope to make a short review of the general financial position of India at the close of 1922-23, that is, the position as it presented itself to a new-comer as I am. It will then be my task to proceed with my proper function to-day—the presentation of the budget for 1923-24.

II.—REVIEW OF THE YEAR 1922-23.

Deficit as now estimated.

3. The budget estimates of the current year as finally passed provided for a deficit of 9·16 crores, the estimated revenue (including new taxation and increased postage and railway rates expected to yield 18¾ crores), being 133·23 crores, and the expenditure 142·39 crores. There is a saving of 4·14 crores on expenditure, but revenue will be 12·48 crores less than the estimate, so that as now revised the estimates point to a deficit this year of 17½ crores.

Revenue.

Trade conditions.

4. Our revenue estimates were not based on a hope of any marked or striking revival in trade, although we certainly expected some slight improvement on the general trade conditions of the previous year. On the whole, this anticipation has been justified. There was considerable stagnation during the earlier part of the summer, but, except perhaps in the cotton mill industry in Bombay, the general feeling prevailing in the business community has for some months been one of mild optimism. Considering the impoverishment of many of our former customers, our exports have undoubtedly shown a promising recovery, and, so far as merchandise alone is concerned, the balance of trade in favour of India during the first ten months of the financial year has been 62 crores which contrasts with an adverse balance of 29½ crores in the corresponding ten months of the preceding year. As against this, there has been a substantial net import of bullion in the current year, but after including the bullion figures there still remains a net balance of 20 crores in favour of India instead of an adverse balance of 33 crores in the first ten months of last year.

Customs.

5. Under Customs we budgeted for a total net revenue of 45½ crores, of which 9 crores was expected to accrue from the enhancement of duties imposed in the Finance Act of March last. We now expect a Customs revenue which will be some 3 crores short of the figure budgeted for. The most uncertain, and at the same time one of the most important factors affecting our revenue is the import of sugar, which in the previous year had yielded us the unprecedentedly large figure of 6½ crores at the old rate of duty of 15 per cent. For the current year we did not anticipate the continuance of such abnormally large imports, but expected, on the increased duty of 25 per cent., to realise about 6¼ crores. The figures of imports vary in a very erratic way from month to month which makes estimating difficult; recently, owing to a large drop in prices, imports were held up in order to get the benefit of the revised tariff valuation which came into force from the 1st January. We expect, therefore, large imports in the last 3 months of the year though the effect of this will be counterbalanced by the duty being calculated on a lower valuation. On the whole, we expect that the revenue from sugar will be less by 1½ crores than the budget figure. The excise duty on cotton manufactures will also bring us in substantially less than we expected ; owing to the high price of cotton and a fall in the price of cotton cloth in the internal markets, there has recently been a reduced output from the mills, and we expect to be about 60 lakhs down under this head. As regards the other tariff heads, it is probable that there will be some deficiency in the revenue from liquors, matches, machinery, cutlery and other manufactured articles, but any losses here should be nearly counterbalanced by increased revenue from import duties on cotton piece-goods (which may give us 96 lakhs more than our estimated revenue of 5,60 lakhs), iron and steel and other metals, while the new excise duty on kerosene is likely to bring us in 89 lakhs as against 40 lakhs budgeted for.

6. Before leaving the subject of Customs, I must refer briefly to a matter which has attracted some public attention during the year, namely, our revenue from the so-called "luxury" articles, which are assessed to duty at 30 per cent. Hon'ble Members will have seen from time to time various articles in the press, the object of which was to show that this high rate of duty has very seriously affected the trades concerned, and it was implied, if it was not asserted, that a lower rate of duty would have brought in more revenue. These contentions are scarcely borne out by the facts. In the current year we budgeted for a return of 2,84 lakhs from the 30 per cent. duty; we actually expect to receive only 11 lakhs less in spite of a considerable fall in prices. The principal articles included in the 30 per cent. schedule are motor

cars, silk manufactures, glass bangles and beads, and tyres and tubes. Except in the case of silk manufactures, the quantities imported during the first nine months of the current year have been in excess of those imported in the corresponding period of the preceding year. Nearly twice as many motor cars have been imported; and if the value of the cars imported has fallen considerably, this is due partly to the general fall in world prices and partly to the fact that people have been importing the cheaper American car in preference to the more expensive English car. I doubt very much if the duty has had much to do with this substitution. The conclusion is that there is certainly no case at present for any alteration of the schedule.

Railways.

7. As Hon'ble Members will have seen from the published returns, our traffic receipts from railways have been disappointing. The increase in passenger fares was expected to add some 6 crores to the receipts. Traffic, both passenger and goods, especially the latter, has, however, fallen off, and as against the estimated gross traffic receipts of 99½ crores, we do not expect to get more than 92, the small improvement over the gross earnings of last year being mainly due to the increased passenger fares. On the other hand, we expect a saving of 2¼ crores on that portion of the expenditure on replacements and renewals which is debitable to revenue, counterbalanced by an excess of about 1 crore in ordinary working expenses. Altogether our net railway revenue is likely to be down by 5¾ crores. Taking into account interest charges, I am sorry to say that the final result for the general tax-payer will be that there will again be no profit from railways, but a loss of about a crore.

Posts and Telegraphs.

8. The effect of the new postal rates, during the first few months of the financial year, was to reduce correspondence, but there have since been signs of recovery, and the public are now gradually getting used to the higher postal charges. For the present, however, I think we must anticipate a diminution of 1,06 lakhs in our anticipated receipts in 1922-23. There is a small saving in working expenses, and after debiting interest, the department will probably prove to have been running at a profit of about 24 lakhs.

Income-tax.

9. We expected large arrear income-tax collections, but after the beginning of the year it became evident, not only that the allowances that we should have to make for bad debts, etc., would be large, but also that our revenue was to be seriously affected by heavy refunds which have had to be made in Calcutta as a result of the adjustment system in force under the former Act; fortunately this will, under the new Act, not disturb our estimates again. I understand that in Calcutta companies have in many cases actually received a cheque from the income-tax authorities instead of paying any tax to Government, and the net receipts in Bengal are not expected to be more than 3¼ crores. The collections have been good in the other provinces, particularly in Bombay, though the lower profits which the cotton mills have recently been making will, I fear, affect our revenue from that city in 1923-24. Altogether, we expect a total deterioration of 3½ crores.

Opium and Salt.

10. As regards other heads, I need only say that we expect to get 89 lakhs more from opium than we anticipated, and there will probably be some slight improvement —7 lakhs or so—under salt.

Expenditure.

Interest.

11. On the expenditure side, there will be a substantial saving of about 1,86 lakhs in our budget provision for interest on debt. Our rupee and sterling borrowings have been larger than we budgeted for, but a full half year's interest in respect of the greater part of these does not fall due till next year; the success of our borrowings has, moreover, enabled us to fund a substantial portion of our floating debt. and the payment of interest made for short periods this year on our new loans is less than that which would have been payable for the replacement of the treasury bills discharged.

Other Civil expenditure.

The House will recollect that a special provision of 60 lakhs was entered in the Civil estimates as part of the expenditure in Waziristan (under the head "Political"). We now anticipate that there will be a saving of nearly 35 lakhs therein, owing to a part of the expenditure being thrown forward to next year. There will also be a saving of ¾ crore in other civil expenditure, mainly as the result of retrenchments carried out during the year.

Exchange.

The average rate of Exchange for which we budgeted was 1*s.* 4*d.* We expect no appreciable deviation from the budget under this head.

Change in method of accounting.

12. Before dealing with military expenditure, I must explain briefly a change which has been made in the method of showing the figures ; it affects all the non-commercial heads but is most marked in the case of the military portion of the accounts. Our practice in the last two years in distributing exchange adjustments has been to show them against the individual heads of account in so far as the commercial services were concerned, and to lump the entries under one head "Exchange" in respect of the remaining heads. This method would answer well enough if the difference between the statutory rate (2 shillings to the rupee) and the actual rate was fairly small ; but it gives our figures a misleading appearance when the difference between the two rates is as large as has been the case during the past two years. It was not at all surprising, therefore, that serious objection was taken to this procedure in the course of the discussion of the budget in both Houses last year, on the ground that it had the effect, on the surface, of largely understating the actual expenditure incurred on military services. It has now been decided to distribute the exchange adjustments between the individual heads in all future accounts and estimates. The figures of military expenditure which I shall give this morning have accordingly been arrived at after converting sterling into rupees at the rate of 1*s.* 4*d.*

Military expenditure.

13. The Budget provided 65·10 crores for the established charges of the Army, 2·13 crores for Waziristan expenditure and 52 lakhs for demobilisation charges, making a total of 67·75 crores. In regard to the Waziristan expenditure my predecessor stated that the figure could be regarded as tentative only, since it is always difficult to forecast the exact effect of military operations of this nature. His apprehension has unhappily proved correct and Waziristan expenditure in 1922-23 is now estimated at 3·85 crores. Demobilisation charges will amount to 2·8 crores owing to unexpected progress with the discharge of surplus officers and to a claim from the War Office for the cost of demobilisation of British troops which had become surplus on the reduction of Indian establishments. On the other hand, the established charges will now amount to only 60½ crores, owing to a continued shortage of British troops, fall in prices and a variety of other causes. A careful control has been maintained over these charges ; and savings in Budget grants have not been allowed to be re-appropriated for new measures involving a permanent liability of any considerable magnitude, though a small portion had to be made available to meet initial expenditure on equipment the purchase of which could not be further postponed. In spite therefore of the excess expenditure of 1,72 lakhs in Waziristan, we have been able to effect a saving of 46 lakhs in the budget grant for Military expenditure.

Summary of variations.

14. These variations in revenue and expenditure are summarised below :—

	(In lakhs of rupees) (+ better,	—worse).
(i) Customs revenue, less	...	3,12
(ii) Income-tax revenue, less	...	3,42
(iii) Opium and salt revenue, more	96	...
(iv) Net revenue from Railways, less	...	5,86
(v) Net revenue from Posts and Telegraphs, less	...	94
(vi) Interest and Currency receipts, more	51	...
(vii) Saving in provision for interest on debt	1,86	...
(viii) Saving in Military expenditure (net)	46	...
(ix) Saving in civil expenditure (including Political expenditure in Waziristan) and other items	1,21	...
	5,00	13,34
	—8,34	
Deficit as budgeted for	—9,16	
Deficit according to present estimate	—17,50	

III.—POSITION OF INDIAN FINANCES AT THE CLOSE OF 1922-23.

Succession of Deficits.

15. Before I proceed to present the budget for 1923-24, I should like, with the permission of the House, to make a short survey of the financial position of India at the present time, and to attempt to give the House a new-comer's first impressions, or as

Mr. Punch would say, first depressions. I am afraid that much of what I say may sound rather superficial, and that I shall be open to the charge of doing what has been done before by more than one globe trotter who, after spending a few weeks in the country, sets to and writes a book about India. One of the many books about India which I brought with me to read on boardship on my way out was a volume entitled "The Moral and Material Progress Report". I was rather shocked by the odd assumption in the title that there had necessarily been progress. When I came to look into the finances of India for the last few years, I was tempted to wonder whether it was not rather a rake's progress. For five years in succession, India has had a deficit. The accumulated total of these deficits amounts to no less than 100 crores, and this in spite of the fact that in the last two budgets additional taxation has been imposed estimated to bring in about 28 crores during the year 1922-23. Even this is not the whole story Apart from our revenue deficits, we have spent many crores on unproductive purposes, the expenditure on which is classed as capital expenditure. New Delhi is the most obvious example. I can see no justification, other than sheer necessity, for not treating this expenditure as chargeable against revenue, and in any case it ought to be repaid out of revenue at an early date. Moreover, besides the deficit of the Central Government, the recurring deficits of the provincial Governments and of many local bodies throughout India must not be forgotten.

Their Danger.

16. I ask the House to pause a moment and consider what these deficits mean. Unfortunately, we are accustomed in these days all over the world to budget deficits, and familiarity breeds contempt in spite of the fact that more than one awful example is before us among the nations of Europe of the chaos which continued budget deficits inevitably induce. The individual who lives beyond his income year by year does not escape the penalty and the same is true of a State. The individual who makes this mistake quickly finds himself compelled to consent to a ruthless cutting down of his expenditure or is driven either to sell or to mortgage a part or the whole of his possessions; or, in the worst event, to cheat his creditors. A State is in the same position, but the position is frequently obscured by the fact that the State's creditors are in another capacity the citizens of the State and its taxpayers. And the State which is driven to cheat its creditors does not always realise what it is doing although its unsound methods are adopted at the expense not only of the wealth and happiness of its own citizens, but also at considerable risk to social order within its borders. Much of the present unrest in the world is due to the way in which States in all parts of the world have cheated their creditors by unsound currency manipulation and the creation of paper money with no real assets behind it.

Inflation and Floating Debt.

17. India has not entirely escaped the evils of taxation through inflation, but as compared with many other countries she has come off well. Out of the total deficit of 100 crores during the last five years, it is estimated that 31 crores have been covered by the creation of paper money, representing nothing but the I. O. U.'s of the Government of India. The remainder amounting to 69 crores has been raised by borrowing. Moreover to the extent of 22 crores the borrowing has thus far taken the form of issues of Treasury Bills to the public. It is true that, owing to special conditions during 1922-23, we were able to reduce our Treasury Bills by 32 crores, in spite of the deficit, out of the proceeds of long term loans. Still, 22 crores of Treasury Bills in a country like India is far too large an amount to have outstanding. A large volume of Treasury Bills is an evil even in England, where the condition of the money market is such that it is always possible to renew maturing bills by offering a competitive rate, but in India conditions might easily arise under which even an impossibly high rate would be insufficient, and in that case the Government of India would be driven back to replacing the Treasury Bills by paper currency, *i.e.*, would be driven to taxation by inflation.

Maturing Debt.

18. In this connection, a word may be said about our early maturing debt. We have to find the means of meeting bonds during the next three or four years to the extent of $5\frac{1}{2}$ crores in 1923, $3\frac{3}{4}$ crores in 1925, and nearly 38 crores in 1926. These amounts, too, have to be competed for against other demands on the market, and may be said, in part at any rate, to be one of the outcomes of the deficits for the last few years.

Increased Interest charge.

19. But the deficits of 100 crores can be looked at from another point of view, when again their evil effects are prominent. In the budget for 1923-24, the charge for interest would be at least 5½ crores less had it not been for these accumulated deficits. This extra 5½ crores has to be met either by reducing expenditure, possibly by reducing desirable expenditure, or by raising new taxation, or at best by maintaining existing taxes which could otherwise be reduced.

Effect on India's credit and handicap to her development.

20. Moreover the continued deficits are threatening to impair India's credit in the market both at home and abroad, and increasing the cost of borrowing whether for covering the deficits or for new capital expenditure. India is a country where, as it seems to me, there is an almost unlimited field for new capital expenditure on new development. At the last Assembly of the League of Nations at Geneva, India established her claim to be one of the eight premier industrial States of the world. Every one admits, however, that India is only at the beginning of her industrial development, and it is out of her capital resources, *i.e.*, out of her accumulated savings and her new savings, that the capital to develop India industrially must be found. We have borrowed all that we could borrow in India and in England during the last few years for capital expenditure purposes, and we have undertaken a minimum programme of 30 crores a year for capital expenditure on Railways. I wish it could be more. So far as I can judge at the present time, the amount which might usefully be spent on profitable development of transportation in India is limited mainly by the possibilities of finding capital resources. Yet we have spent 100 crores out of capital in the last five years in financing deficits, thereby diminishing to a corresponding extent the resources available for developing India. Let us make no mistake about it. If recourse to inflation is ruled out, if it is agreed that the concealed method of taxation by inflation is the worst of all methods, the money to meet the annual expenditure of India, whether on capital or on revenue account, must come out of the savings of the country. The only exception, which is not a real exception, to this statement is that some of the capital may be borrowed abroad, and it has of course been a commonplace of the history of the last century that capital has been found by the older industrial countries of the world for the development of new-comers in the field, to the great advantage both of the borrower and of the lender. But the amount that India can borrow abroad is limited both by the amount available abroad, which in the present condition of the world may prove a comparatively small amount for some time to come, and by the capacity of the borrower to meet the annual charges for interest. These annual charges for interest are in effect a claim on the future resources of India and ultimately come out of the same pocket as the money required to meet the rest of India's expenditure, *i.e.*, out of the savings of the people. To sum up, the deficits of the last few years have brought in their train a certain amount of taxation by inflation, a heavy annual charge on the present and future budgets of India, a deterioration in India's credit, an increase in the cost of borrowing, and a depletion of the resources available for desirable capital development.

Necessity for stimulating habit of Investment.

21. Perhaps I may be allowed to digress at this moment to touch on a subject in which I have always taken very great interest. Every one who has studied the subject agrees that a wonderful era of prosperity would be ahead of India if the habit of investment could be stimulated, if investment in India became anything like as general a practice as it is in such countries as England and France. It is true that much has been done in recent years. The rupee loans of the last few years have been unprecedented in amount. But much remains to be done if the Indian people are to form the habit of investing their talents in reproductive enterprises rather than wrapping them up in a napkin, and perhaps I should also add, if some of them could learn to be content with sound and steady returns on the money they invest instead of looking for impossibly high dividends.

22. I have been making some inquiries as to the progress of the Post Office Cash Certificates. I was an original member of the National Savings Committee appointed in England at the beginning of 1916 largely through the efforts of Mr. Montagu, and was privileged to take a part in what is widely regarded in England as a most extraordinarily successful movement. The change from thriftlessness to thrifty habits which has taken place among many sections of the English people has been described as a revolution. National Savings Certificates to the value of nearly £360 millions are now held by the small investor in the United Kingdom. When I contrast the

sales of the Post Office Cash Certificates, which were not inconsiderable during the war when they were first started but have since declined, I cannot help thinking that there must be great possibilities of development in this system. What a great improvement in our financial outlook would result if by development of the Post Office Cash Certificate system a considerable part, if not the whole, of the money required for provincial capital expenditure could be found out of the proceeds of Cash Certificates! It is my earnest hope that before long means may be found for taking up this subject in earnest. It is a subject in which, above all others, if we are to succeed, non-official effort must be enlisted to second governmental action.

Growth of Unproductive Debt.

23. As the results of the deficits of the last few years and of the war, India's debt has grown from a total of 4,11 crores on the 31st March 1914 to an estimated total of 7,81 crores on the 31st March 1923. This figure includes the floating debt and the early maturing debt of which I have already spoken, but it excludes no less than 63 crores of obligations which it is I find the practice to treat separately from the debt of India, though as far as I can see these obligations are just as much a part of India's debt as the rest. Taking, however, the figure of 7,81 crores which I have given of the total debt of India on the 31st March 1923, we find that 5,57 crores is classed as productive and 2,24 crores as ordinary or unproductive debt. The proportion of productive to unproductive debt is one which naturally looks strikingly good to any one who thinks of Great Britain's figure of £7,500 millions of debt, all of which has gone in powder and shot. But this comparison must not blind us to the fact that since the 31st March 1914 the total debt has increased by 3,70 crores and the unproductive debt by 2,27 crores, and we must not forget that the yield on that part of our productive debt which is invested in railways has not been sufficient in the last two years to meet the interest charges.

24. The debt, again, has to be divided between rupee debt and sterling debt. The rupee debt has risen since the 31st March 1914 from 1,46 crores to 4,21 crores and the sterling debt has risen from £177 millions to £240 millions in the same period. The sterling debt of £240 millions represents a claim on India's production of goods and services in the future up to the value of the principal together with a further claim on those goods and services for interest during the interval until the principal is paid off.

Currency and Exchange.

25. This question of the sterling debt brings me by a natural transition to a new subject, which is certainly not the last one to be brought to the attention of an incoming Finance Member—I mean the question of currency and exchange. Now, it is no good crying over spilt milk, and I do not think the House will expect me to delve deeply into the history of Indian currency during recent years. It is easy to be wise after the event. There were some wise men, however, even in 1919-20, who held that the right course at that time would have been to adopt a waiting policy, and I am convinced that, for the moment at any rate, a waiting policy is still the right policy. What was it that upset the equilibrium of the rupee-sterling exchange which had been so painfully stabilised at 1*s.* 4*d.* at about the end of the 19th century? Primarily of course it was the Great War and the adoption of inflationary methods by all the belligerent countries. Whatever system of currency had been in force in India during the Great War, it would have been profoundly disturbed by the events of 1914-18. In so far as India had a choice and was not swept along in the maelstrom of world events, India's choice was necessarily between an attempt to keep the exchange value of the rupee more or less stable and an attempt to keep rupee prices more or less stable. As a matter of fact, India's first choice was the former, and for some time the rupee remained at or about 1*s.* 4*d.*, but then the rise in the price of silver, which occurred as the natural consequence of the fall in the purchasing power of gold, introduced a new complication. It is impossible over a long period to keep a coin in circulation which is worth more as bullion than it is as current coin. Once the traditional figure of 1*s.* 4*d.* for the rupee was departed from, nothing remained stable, though in comparison with the rest of the world Indian prices up till 1920 remained relatively stable in terms of gold. Thus, it was essentially the rise in the price of silver which upset the Indian currency system. I need say no more of the attempt that was made to stabilise the rupee at a new, or rather at the old, fixed rate of 2 shillings gold in 1920 except that it failed. Looking back, we are able to say that the attempt was an almost impossible one with all the exchanges of the world out of gear, with world prices moving up and then down

with unexampled rapidity, and with relative prices as between one commodity and another fluctuating in an unheard-of manner. Can we say that the position to-day is such that an attempt to give the rupee a fixed value, whether at 1*s.* 4*d.* or any other rate, in terms of gold, or in terms of some other currency, is much more likely to succeed than it was in 1920? I think not. The French are in the Ruhr; the whole of Continental Europe is faced with the threat of impending chaos; throughout the world prices are unstable; sterling has approached close to par with gold but it is not yet at par; and even if it were at par, it is too soon to say whether political and monetary conditions in the United States may not lead to a fresh cycle of rising prices in terms of dollars which would almost necessarily have to be followed by a rise in sterling prices. For the moment, therefore, I repeat that the time has not yet come for a new attempt to fix the rupee, whether at 1*s.* 4*d.*, 1*s.* 6*d.*, or any other figure.

Strength of Indian Currency Reserves.

26. Subject, however, to one essential condition, namely, that the era of unbalanced budgets, central, provincial and local, in India is succeeded by an era of balanced budgets, there is, I think, reason to regard the currency position of India with some satisfaction. We had a good monsoon last year and India's export trade has taken a turn for the better. For internal purposes the metallic reserve of silver seems to be fully ample to maintain the convertibility of the paper currency. In addition to the reserve of silver rupees, there is in the Paper Currency Reserve a sum of £24 millions in gold, and in sterling securities, easily convertible into foreign exchange, a total of £5,800,000 sterling. Over and above and outside these Reserves, we have £40 millions in the Gold Standard Reserve. In spite of the separation between the two Reserves, if we are looking at the resources available for maintaining the rate of exchange of the rupee, the sterling securities in the Paper Currency Reserve and the Gold Standard Reserve all serve the same purpose.

Movements in Exchange.

27. The movements of the rupee-sterling exchange during the past year reflect a clear improvement in the position of the rupee. A year ago, in February 1922, the telegraphic transfer rate in Calcutta on London had fallen as low as 1*s.* $2\frac{15}{16}$*d.*, and it was not till the end of December that it reached 1*s.* 4*d.* Since then, after a rather rapid rise to over 1*s.* 5*d.*, followed by a sharp re-action, it is for the moment fairly steady at between 1*s.* 4*d.* and 1*s.* $4\frac{1}{2}$*d.* This improvement in terms of sterling reflects an even greater improvement in terms of gold owing to the rise which has taken place during the year in the value of sterling in terms of gold, and the improvement is reflected also in prices. The Bombay Labour Office figure for Indian wholesale prices for December 1921 was 190. For December 1922 the corresponding figure was 173. There has been a still more striking fall in retail prices of food grains. This fall in Indian prices has been taking place during a period in which there has been an actual rise in dollar prices and sterling prices have remained approximately stationary.

General observations on Exchange

28. I have said that I do not think the time has come for fixing on a new policy in regard to exchange. I do, however, want to make one or two general observations. There is no sanctity in this era of instability about any particular rate of exchange, whether 1*s.* 4*d.* or 2*s.* or anything else; it is simply a question of what rate of exchange best suits India's needs. Ultimately India's payments outside India are, and must be, made in the form of exports of Indian goods and services. But, if we look at the matter from the narrow point of view of the budget, the following statistical data are of interest. The Government of India's sterling debt of £240 millions sterling at 1*s.* 4*d.* amounts to 360 crores, at 1*s.* 5*d.* it amounts to 339 crores, at 1*s.* 6*d.* it amounts to 320 crores, while at 2*s.* it amounts to 240 crores. Of the deficit for 1922-23, $5\frac{1}{2}$ crores would have been saved had exchange been at 1*s.* 6*d.* and $9\frac{1}{2}$ crores if it had been at 1*s.* 8*d.* Statistics proverbially can be made to prove anything. Nevertheless, these figures are striking and it must be remembered that, apart from the sterling indebtednesss of the Government of India, there are large sterling debts owed by municipalities, port trusts, and many other Indian borrowers, who would all be individually benefited by a higher exchange so far as their sterling indebtedness is concerned. Then, again, although since 1920 the tendency of rupee prices to remain relatively more stable than world prices, or rather to follow changes in world prices rather slowly, has to a large extent ceased to operate, it is very doubtful, I think, whether internal prices in India have yet adjusted themselves to a level corresponding to a 1*s.* 4*d.* exchange, so that were exchange stabilised now at 1*s.* 4*d.*, internal prices would have to go

up, and certainly there are various kinds of Government expenditure which would have to go up considerably in terms of rupees. Finally, we do not want ever again to find the rupee more valuable as bullion than as currency. That is one side of the picture. There is, of course, another side. An attempt to force up exchange violently would at once cause stringency. Severe stringency in the money market is never desirable for its own sake, is always bad for trade for the time being, and is most inconvenient from the point of view of a government which is engaged on a programme of capital expenditure, involving considerable capital borrowings. Any policy which threatened seriously to restrict India's exports is also to be deprecated, and trade above all desires stability of exchange, perhaps even more than stability of prices. I myself had some part in the International Conference at Genoa last April and May, and the first recommendation of that Conference was that "an essential requisite of the economic reconstruction of Europe is the achievement by each country of stability in the value of its currency.". If, therefore, the time has not yet come for an attempt finally to stabilise the currency of India, stability is our goal and we mean to achieve it at the first opportunity.

IV.—BUDGET FOR 1923-24.

Expenditure.

29. While drawing attention to the above recommendation of the Genoa Conference, I am naturally led to quote another of its most important recommendations, which reads :

> "In each country, the first step towards re-establishing a gold standard would be the balancing of the annual expenditure of the State without the creation of fresh credit unrepresented by new assets. The balancing of the budget is the first consideration."

What then about the budget for 1923-24? Is it going to be balanced? The Members of the Legislature are not the only people in India who are taking an interest in this question. Only a few days ago, I received the following postcard :—

> "Sir, kindly let us know by wire at our expense whether the customs duty will be decreased or increased on foreign imported wines and spirits. Awaiting your favourable reply by wire".

Retrenchment Committee.

30. At the outset of my statement of the figures for 1923-24, I must explain what action the Government of India propose to adopt in order to be able to show the results of the report of the Retrenchment Committee in the budget figures. The first part of the report of the Inchcape Committee came into the hands of the Government little more than a fortnight ago, while the second part of the report reached us only on Saturday last and the third part yesterday. The complete and final report has not yet been signed. It has been a difficult problem to decide how to fit the proposals of the Retrenchment Committee into the budget. A report of this importance obviously requires careful and detailed examination by the Government of India in consultation with the Secretary of State, and the House will naturally desire an opportunity of studying the proposals on their merits. There has not been time, therefore, for final conclusions to be arrived at in regard to a great many of the Committee's recommendations. On the other hand, it was obviously necessary to frame a budget in which allowance would be made for the reductions in expenditure which we all expect to result from the Committee's work. In any circumstances, it would, of course, have been impossible, and it is clearly recognised by the Retrenchment Committee itself that it would be impossible, to obtain the full value of the cuts which are to be made in the first year of operation. Some of the retrenchments proposed can only be introduced gradually so that allowance has to be made for what I may call the "lag", while in many cases allowance has to be made for extra expenditure on what I may call the "terminal charges", *i.e.*, special charges which have to be incurred in closing down establishments and getting rid of the staff. Throughout its report, the Committee's recommendations are given in the form of reductions on the budget figures for 1922-23, which are of course quite different from the budget figures for 1923-24 as they appear before allowance is made for special cuts based on the Committee's recommendations. A fair

proportion of the total reductions recommended by the Committee are either automatic reductions on the 1922-23 figures or actual retrenchments which we ourselves have been able to effect in the budget for 1923-24 in advance of the receipt of the Committee's recommendations. The activities of the Committee cast their shadow before, and estimates prepared in the atmosphere of economy which they created naturally reflected part of that atmosphere.

Extent to which credit has been taken in Budget for retrenchment proposals.

31. In the Military budget, we have been able to take credit for the reductions, which, subject to final agreement with the authorities in London, we propose to effect as the outcome of the Retrenchment Committee's recommendations. This we were able to do because we had advance knowledge of the reductions which were going to be proposed, and His Excellency the Commander-in-Chief, working in close co-operation with the Retrenchment Committee and with his Colleagues in the Government, had arrived at a general agreement in regard to the total. In the case of the Posts and Telegraphs budget, we have been able to present figures showing the effect for 1923-24 of some though not all of the reductions which we propose to effect in consequence of the recommendations of the Retrenchment Committee. Our preparations could not be so far advanced in regard to the other Civil Departments. It was necessary to prepare, for the purpose of presentation to this House, the estimates for the Demands for Grants before we had sufficient knowledge of the proposals which were going to be made by the Retrenchment Committee. The estimates for the Demands for Grants, which are about to be presented, accordingly show the figures of civil expenditure before allowance is made for special retrenchments consequent on the report of the Committee. As I have already explained, this does not mean that none of the results of what the Committee recommends appear in those estimates, but simply that the final retrenchments are not included in the figures.

Civil expenditure.

32. Our problem therefore has been how to include in the budget statement the additional reductions which we hope to effect after studying the report of the Committee, and how to place the House in a position to examine and vote on the Demands for Grants in proper form. The Government are not yet in a position to announce definitely which of the particular recommendations of the Committee will be adopted; nor has it been possible to frame an accurate forecast of the allowance to be made for the fact that particular retrenchments cannot come into full effect as early as the 1st April 1923. But after giving careful consideration to the report, the Government of India have decided that they will be justified in taking the responsibility of saying that they believe that a reduction of 4 crores can be effected, over and above what has already been done, either in the ways proposed by the Retrenchment Committee or by some modification of them. A further paper will be circulated as soon as possible showing how this lump sum reduction of 4 crores is proposed to be spread over the various heads, and when the time comes for voting upon the Demands for Grants, the House will be asked to vote not the original total of each head but only the total as reduced in each case by the special cut made in the light of the Retrenchment Committee's recommendations. In the non-military portion of the Budget excluding interest, the Committee recommend reductions of about $8\frac{1}{2}$ crores on a total Budget estimate in 1922-23 of 103·9 crores. The corresponding figure in our detailed Budget statements for 1923-24 is 101·3 crores, a reduction of 2·6 crores. The House will see that our cut of 4 crores, together with the amount of 2·6 crores which represents retrenchments proposed by the Committee already taken account of in the estimates, makes a total of 6·6 crores. The difference between these two figures, amounting to less than 2 crores, represents the allowance which it is thought necessary to make for the fact that many of the recommendations, even if accepted, cannot be in full operation during 1923-24. This allowance is not a large one. The Government of India will do their utmost to make sure of converting their hopes into accomplished facts and will leave no stone unturned in their endeavour to make actual reductions to the full extent of the 4 crores. We must cut our coat according to our cloth, and where necessity drives, we must be content to forgo even desirable outlays. But I cannot conceal from the House that it will task all our ingenuity to give full effect to the 4 crores reduction within the year 1923-24, and that some risks are being taken in assuming that figure for Budget purposes.

33. Some risks are also being taken in regard to our Military expenditure, risks of the same financial kind as in the case of Civil expenditure owing to the uncertainties caused by the circumstances in which our estimates have had to be framed, and risks of a military nature as well. In the case of Military expenditure the total for which the House will be asked to provide funds in 1923-24 is 62 crores. This figure represents, as I have already explained, the total required after taking into consideration the recommendations of the Retrenchment Committee. This total, which includes 1·69 crores for expenditure in Waziristan, compares with the total of 67¾ crores for 1922-23, a reduction of 5¾ crores. Military expenditure.

34. Opportunity will arise in the ordinary course for a general discussion by this House of the Army expenditure, but I may say that in the forefront of these reductions and forming the pivot on which the other reductions depend is a substantial reduction in the strength of British and Indian forces.

I am not in a position to-day to give details of the reductions in troops which it is proposed to effect. These reductions are being discussed between the Government of India and His Majesty's Government. The form which the reductions should take is necessarily a matter of some intricacy and complication as it is desirable to impair as little as possible the essential structure and organisation of the Army and so to retain after the reductions the maximum degree of efficiency. The decision, as the House will understand, is also a very responsible one and the difficulties being what they are, there simply has not been time to arrive at final decisions. In any case the full financial effect of these reductions and of other proposals in regard to the military expenditure cannot for practical reasons be expected in the coming year. If these reductions and the others which have been agreed upon could have been fully and effectively in operation by the 1st of April 1923, the net Military budget for 1923-24 would be 57·75 crores, but a sum of 4·25 crores has to be allowed for special expenditure in Waziristan and for the fact that the reductions cannot be in full force throughout the year. Reduction of troops.

35. It is not my intention to-day to go through the expenditure for 1923-24 in detail. Full statements under the various heads will be circulated, and I think it will be for the convenience of the House that I should leave Hon'ble Members to study these for themselves. It will be enough for me to say now, therefore, that, as compared with the original Budget Estimate of expenditure for 1922-23 of 2,15·27 crores inclusive of the working expenses of commercial departments, our total expenditure for 1923-24, taking sterling expenditure at the rate of exchange of 1*s.* 4*d.* per rupee, is estimated to be 2,04·37 crores, a reduction of 11 crores in spite of an increase of 1¾ crores for interest. Total expenditure, 1923-24.

Revenue, 1923-24.

36. I turn now to the Revenue. In framing our revenue forecast, we have assumed that trade conditions will continue much as they are at present. We have allowed, that is, for a small growth in revenue such as may normally be expected from year to year; we have not counted upon any early boom in foreign trade.

37. Under Customs, I do not think we can prudently anticipate for next year imports of sugar on anything like the same scale as in 1921-22, and allowing for the new tariff valuation we estimate a revenue from sugar of 5 crores as against 4¾ crores for the current year. As regards the other tariff heads, we have either repeated the figure which we anticipate for the current year, or have provided for a small increase where an expansion seems probable. Altogether we assume a total gross revenue of 45·99 crores, or, allowing for refunds, a net revenue of 45·09 crores, which is 2,79 lakhs more than what we now expect to collect in the current year. This figure is arrived at after allowing for a reduction to 5 *per cent* all round of the export duty on hides and skins, a reduction necessitated by the state of the trade. Customs.

38. As regards Income Tax, we shall not again have to make the heavy refunds to which I have already referred; on the other hand, there is fairly certain to be a falling off of revenue in Bombay, while the collection of arrears will also be less; these may be expected to balance each other, and we have entered a revenue of 19 crores, which is roughly the same as we expect to raise this year. Income Tax.

39. I come now to the Railway budget. There is no doubt that as soon as any marked revival in internal trade takes place, Railway earnings ought to show a considerable rise; the autumn harvest has been so good and he promises for the Railways.

spring crop are so favourable that it is not unreasonable to expect a revival before long. The difficulty is to say how soon this revival will occur. Traffic receipts suffered a check in 1922-23, and on the whole I do not think it is safe to budget on the assumption that there will be a very rapid revival in 1923-24. Our estimate for gross traffic receipts is accordingly put at 95½ crores. It is 3½ crores higher than the revised estimate for 1922-23. Two factors account in the main for this increase of 3½ crores. The first is that in the earlier months of 1922-23 there was a considerable loss of revenue due to the strike on the East Indian Railway and the second is that the present increased rates did not come fully into effect on all Railways until about the 1st of July 1922.

Working expenses and interest and other charges, without allowing for the share attributable to this head of the Inchcape Committee's cuts, amount to nearly the same figure, leaving a net profit for the year of 35 lakhs which compares with the net loss on the current year's budget as now revised of ₹92,60,000.

Posts and Telegraphs.

40. In the case of Posts and Telegraphs, we are able to estimate for a net receipt of 147 lakhs as compared with the net receipt of 24 lakhs in the 1922-23 budget as revised. This improvement is due in part to expected recovery in revenue and in part to reductions in working expenses made in anticipation of, or in consequence of, the recommendations of the Retrenchment Committee.

Total revenue.

41. We thus arrive at the following budget position on the basis of existing taxation. As against an expenditure of 2,04·37 crores, we have an expected revenue of 1,98·52 crores, leaving a deficit of 5·85 crores. Before I proceed to explain to the House what we propose to do in regard to this deficit, I must turn for a moment to our ways and means position.

V.—WAYS AND MEANS.

42. Public attention is usually concentrated on the annual budget of revenue and expenditure, but the Ways and Means budget is of equal importance, for after all it is the Ways and Means budget which shows the sums which the Government has to pay out under one head or another during the year and the sums which it has to get in from the public. Whether it is a provincial overdraft or an advance on capital account, or whether it is a revenue deficit, the money to meet the outgoing has to be got in before it can go out. The Ways and Means budget is, however, one which it is difficult to present in a clear and easily intelligible form. It is never possible to adhere to a strict programme in regard to Ways and Means operations. In financing the country's various liabilities and in finding cash for our own and the provinces' day to day disbursements, we have to be guided very largely by the changing conditions of the money market both here and in London.

Funding of Floating Debt.

43. During the current year we expect to meet liabilities, over and above what has been met from revenue, amounting to 106 crores. These will have been financed mainly out of the proceeds of our rupee and sterling loans, which have been on an unprecedentedly large scale. Our rupee loan realised nearly 47 crores and £31½ millions was borrowed in London during the year. One satisfactory feature of the year, to which I have already referred, is that out of these borrowings we have been able to reduce our floating debt by 40·6 crores, of which 32·4 crores consists of a net discharge of Treasury Bills held by the public and 8·2 crores of a cancellation of Treasury Bills held in the Currency Reserve. We cannot hope to continue the reduction of floating debt on the same scale over a long period, but I feel sure that the House will agree with me that it must be our constant policy to secure the early extinction of the floating debt by its conversion into securities of longer term.

Remittances to London, 1922-23.

44. Our sterling borrowings have facilitated the provision in London of the sums required to meet our sterling obligations during the year. But advantage has been taken of the strengthening of exchange which occurred at the New Year to effect remittance by the method of selling Council Bills. Weekly sales have been taking place of moderate amounts since the beginning of January, and we have thereby been placing funds in London at a moment which, although somewhat in advance of actual requirements, is nevertheless convenient to the market. We anticipate that our balance in London will be about £8 millions on the 31st March 1923 as against a normal minimum balance of £4 millions, but the surplus will be required early in the new financial year.

45. The following statement summarises the Ways and Means operations for India and England together during 1922-23 and 1923-24 : — Summary.

(Crores of rupees.)

Liabilities.	Revised.	Budget.
Railway capital outlay	21·4	38·6
Delhi, Irrigation and Telegraph capital outlay	3·0	2·9
Discharge of funded debts, etc.	12·4	5·2
Discharge of Treasury Bills—		
With the public	32·4	5·5
In the Paper Currency Reserve	8·2	
Loans to Provincial Governments	11·4	13·5
Central Government's revenue deficit	17·3	...
Drawings of Provincial Governments	...	1·3
	1,06·1	67·0
Met as follows :—		
Central Government's revenue surplus	...	·2
Surplus revenue of Provincial Governments	1·0	...
Rupee loans	46·9	25·0
Sterling loans (converted at 1*s.* 4*d.*)	47·3	22·7
Net receipts from Savings Bank deposits, etc.	3·1	5·0
Miscellaneous items	2·5	2·2
Reduction of cash balances	5·3	11·9
	1,06·1	67·0

46. In 1923-24, if the measures which I propose are adopted, we shall not again have to face the necessity of financing a large revenue deficit. Our largest liability will be for Railway Capital outlay. During 1922-23, it has not been possible to spend the full 30 crores allotted under the 5-year programme; there will be a large carry forward. We are adding this to the 30 crores for next year, making a total of 38·6 crores to be provided for capital expenditure on Railways in 1923-24. We have about 5¼ crores of maturing bonds to meet, and our other Capital outlay is expected to reach about 3 crores. Loans or overdrafts to the Provincial Governments will absorb 13½ crores, the greater part of which will go to the Bombay Government for expenditure on their Development scheme. Forecast for 1923-24.

47. We expect to start the year, as I have already said, with a cash balance of £8 millions in London. We are assuming, for the purpose of the Ways and Means estimate, that we shall be able to raise £15 millions by new sterling borrowings. We are assuming for budget purposes also that we shall be able to secure a rupee loan of 25 crores. With these resources, we hope to meet the liabilities I have mentioned, and in addition to effect a further reduction of five or six crores in our floating debt. In addition to the new sterling borrowings of £15 millions we estimate that we shall require to remit £27 millions to London from India during 1923-24. It is unnecessary, I think, for me to discuss at the present moment the various alternative methods of effecting this remittance. In addition to the ordinary method of purchase of exchange, the £5¾ millions in the Paper Currency Reserve in London, and after that the Gold Standard Reserve of £40 millions, can be drawn upon against an equivalent earmarking of rupees for those Reserves in India. Which particular combination of the various methods available will be adopted is a matter upon which it is impossible for Government to commit themselves in advance, since much must depend upon exchange conditions during the year. Remittances to London, 1923-24.

VI.—PROVINCIAL CONTRIBUTIONS.

48. There is another subject on which I should like to say a word owing to its close connection with the problem of covering our deficit, and that is the vexed question of the provincial contributions. I do not think that any one considering Indian finances at the present time can fail to be impressed by the undesirability of a long continuance of the present unsatisfactory position in regard to the provincial contributions. The Government of India have stated plainly that, as soon as they are able to do so, they

intend to reduce, and eventually extinguish, these contributions. I am aware that this is not the solution which finds universal favour, though I think this is what the majority of the Provincial Governments desire. But so long as we have a deficit in the Central budget, it is obviously impossible for us to make a beginning with the reduction of provincial contributions. Meanwhile, every Provincial Government, without exception, is finding very great difficulty in balancing its budget. The majority, I am afraid, did not succeed in doing so in 1922-23, though they are doing better I am glad to see for 1923-24. It has been suggested to me by more than one spokesman for the provinces that there is a feeling in the minds of the Provincial Governments and of their Legislatures that it would be unwise for them to show balanced budgets. They are, it is hinted, taking a leaf out of the book of some charitable and religious bodies which make a habit of showing an annual deficit in order to make a striking appeal to their supporters to come to their rescue. The Provincial Governments think, it is said, that they will get more sympathy from the Central Government and get rid of their provincial contributions quicker if they can show a handsome deficit and appeal to the charity of the Central Government. I should like to say for my part that the strongest appeal that the Provincial Governments can make to me in this matter of the Provincial contributions is to show themselves worthy of assistance from the Central Government by strenuous and successful endeavours to make both ends meet for themselves. Much, therefore, as we should have liked to be able to make a beginning of the reduction of the provincial contributions, it is obvious that this year we must confine ourselves to an attempt to deal with our own deficit. I would, however, add this appeal to all who are interested in a reduction in the provincial contributions. Let them give us their full support in any measures we propose for securing a balanced Central budget in the certainty that by so doing they are hastening the day when the contributions can begin to be released.

VII.—PROPOSALS FOR DEALING WITH THE DEFICIT.

Interest on Gold Standard Reserve.

49. What then is to be done about the deficit of 5·85 crores? First of all, we propose to make an adjustment which, though little more than a change in methods of book-keeping, has the effect of reducing the apparent figure of the deficit by 1·59 crores. It is proposed to ask the House to continue during 1923-24 the arrangement made a year ago for crediting to revenue the interest on the securities in the Paper Currency Reserve. There is a similar source of income in the interest on the £40,000,000 in the Gold Standard Reserve, which is expected to amount to 1·59 crores in 1923-24. This is, in essence, of the same nature as the interest on the Paper Currency Reserve's investments, and we propose for 1923-24 to treat it in the same way. This change does not really add anything to our available resources or alter our Ways and Means position, but I think it is justified on merits.

Deficit cannot be left uncovered.

50. We are thus left with a deficit of 4·26 crores, and the only way left for meeting it is by additional taxation. If the House will turn its mind back for a moment to what I said about the accrued deficits of the last five years, it will recognise that it cannot leave the deficit of 4¼ crores untouched. It will perhaps be asked whether the fact that several crores in the military expenditure and a considerable additional amount in the non-military expenditure represents non-recurrent expenditure due to "lag" and "terminal charges" would not justify the deficit being allowed to continue for one more year. This argument unfortunately does not represent the full facts. If some crores in the military budget represent non-recurrent expenditure, on the other hand over 2 crores of the cuts made in the military budget represent non-recurrent savings, being arrived at simply by a reduction in stores. Similar considerations apply to some of the other cuts both in the military and the non-military budgets, in particular in the railway budget. Moreover, some terminal charges will still have to be met in 1924-25. Whatever our hopes may be, we have no reasonable certainty that the budget for 1924-25 would balance on the basis of present taxation. Moreover we have not yet begun to provide anything towards making good past deficits. If 1924-25 were to turn out much better than it is possible to promise at this moment, we can, if we have got through 1923-24 without a deficit, turn our thoughts to reduction of the provincial contributions.

51. Our conclusion, therefore, is that we must ask for some increase in taxation. No one likes new taxation. It is a disappointment to the House, and it was a great disappointment to me, that new taxation is needed at all. If he is wise, a Finance Member dislikes new expenditure and dislikes new taxation even more. But most of all, he loathes and abhors a deficit. I hope the House will agree that I have demonstrated to the full the absolute impossibility of its leaving a sixth year's deficit of 4¼ crores to be added to the appalling aggregate of 100 crores of the deficits of the last five years. The House would be false to its trust if it allowed the Government to adopt so pusillanimous and mischievous a course. The credit of India is in jeopardy. It is already under the cloud of the deficits of the last five years. But India's financial record has been so good for decades preceding those five years that hitherto the damage is not irreparable. The world has trust in India's record and has felt sure that the era of deficits could only be a passing phase. It is our duty to-day to justify that trust. We have made drastic cuts in our expenditure, but we have not achieved a balance. New taxation is, therefore, inevitable. New taxation necessary.

52. What form then is the new taxation to take? We have carefully reviewed the existing taxes. In particular, we have examined those taxes which were proposed last year and not accepted. One after another we have had to reject promising expedients, and finally we have come to the conclusion that the right course is to ask the House to agree to an increase in the salt tax to R2-8 a maund. In a full year, this increase is estimated to yield 6 crores, but we cannot count on its bringing in more than 4½ crores in 1923-24. The House will see that this additional revenue is just sufficient to cover the deficit of 4¼ crores, to give us a balanced budget, and to leave us a small surplus of 24 lakhs. In view of the uncertainties of our estimates of expenditure, this House will agree that this is not an undue margin to leave over for contingencies. Increase in Salt duty.

CONCLUSION.

53. My allotted task is finished. I have laid before the House the Government of India's account of their stewardship for the year that is passing and their proposals for the year 1923-24. I am painfully conscious of the responsibility which attaches to the Member introducing the budget. He cannot hope that his proposals will receive universal approbation. I have no doubt that when the details of our proposed expenditure come up for discussion, some Members will criticise this or that retrenchment as iniquitous and the retention of this or that item of expenditure as outrageous. Some other Members will disagree entirely with them on one or other or both of these criticisms. But all will manage to disagree with me on some point or other. I hope none the less that the Government of India will receive the credit which I claim is their due for courageously shouldering their burden and boldly coming forward with a budget which, at one and the same time, effects drastic reductions in expenditure and calls for a further sacrifice in the form of new taxation. I appeal to the House for one last long and strong pull, all of us pulling together, in the confident assurance that so doing we shall quickly get the boat out of the vicious current which is threatening to drag India down on to the rocks of insolvency. Once back in safe waters, I have every hope that in a surprisingly short time we shall find ourselves on the flood tide of prosperity, and shall be able to turn our minds to pleasant thoughts of reduced provincial contributions, reduced taxation, and increased devotion of our resources to the development of India. I was struck a little more than a week ago by a remark that fell from Sir Deva Prasad Sarvadhikari when, speaking on the Racial Distinctions Bill, he said that the House had had three red letter days in succession. Let us crown our successes by a fourth red letter day, and end our session with a balanced budget.

BASIL P. BLACKETT.

The 1st March 1923.

BUDGET

OF THE

GOVERNMENT OF INDIA,

MARCH 1923.

ACCOUNTS	1921-22
REVISED ESTIMATES	1922-23
BUDGET ESTIMATES	1923-24

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I.—General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1921-22.	Budget Estimate, 1922-23.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
		R	R	R	R
Revenue—					
Principal Heads of Revenue—					
Customs	A	34,40,98,381	45,41,84,000	42,30,03,000	45,09,41,000
Taxes on Income	„	18,74,13,424	22,11,39,000	18,69,31,000	19,04,64,000
Salt	„	6,34,37,848	6,86,03,000	7,17,84,000	11,75,00,000
Opium	„	3,07,24,798	3,09,30,000	3,98,68,000	3,93,12,000
Other Heads	„	2,20,16,921	2,35,85,000	2,37,37,000	2,44,97,000
TOTAL PRINCIPAL HEADS		64,76,91,372	79,84,41,000	74,53,23,000	82,27,14,000
Railways: Net Receipts	„	15,20,82,829	31,10,94,000	25,31,31,000	28,26,58,000
Irrigation: Net Receipts	„	5,94,141	7,22,000	10,26,000	10,63,000
Posts and Telegraphs: Net Receipts	„	56,52,778	1,75,28,000	90,58,000	2,03,44,000
Interest Receipts	„	1,11,00,700	84,31,000	1,04,11,000	2,50,96,000
Civil Administration	„	77,29,211	86,49,000	56,20,000	62,08,000
Currency, Mint and Exchange	„	4,37,42,093	3,22,31,000	3,53,10,000	2,69,26,000
Civil Works	„	11,33,782	10,92,000	11,25,000	10,69,000
Miscellaneous	„	7,18,56,875 (a)	66,11,000	67,62,000	48,34,000
Military Receipts	„	8,06,93,832	5,54,14,000	5,01,01,000	2,81,23,000
Contributions and Assignments to the Central Government by Provincial Governments	„	12,98,72,704	9,20,65,000	9,21,50,000	9,21,36,000
TOTAL REVENUE		1,15,21,50,317	1,33,22,78,000	1,21,00,17,000	1,31,11,71,000
DEFICIT		27,65,01,700	9,16,28,000	17,25,35,000	...
TOTAL		1,42,86,52,017	1,42,39,06,000	1,38,25,52,000	1,31,11,71,000

(a) Includes proceeds of freight tax which was replaced from 1922-23 by increased goods rates.

M. F. GAUNTLETT,
Auditor General.

DELHI,
FINANCE DEPARTMENT,
March 1, 1923.

Revenue of the Central Government, in India and in England.

	For details, *vide* Statement.	Accounts, 1921-22.	Budget Estimate, 1922-23.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
		R	R	R	R
Expenditure—					
Direct Demands on the Revenues	B	5,27,12,199	5,53,32,000	5,30,73,000	5,50,88,000
Railways: Interest and Miscellaneous Charges	„	24,29,82,672	25,98,53,000	26,23,91,000	27,91,32,000
Irrigation	„	14,48,454	11,19,000	12,25,000	14,20,000
Posts and Telegraphs	„	1,66,00,497	97,32,000	66,42,000	56,54,000
Debt Services	„	15,99,70,014	15,20,09,000	15,17,90,000	17,21,57,000
Civil Administration	„	9,40,80,047	9,74,06,000	10,01,05,000	10,46,35,000
Currency, Mint and Exchange	„	1,07,48,311	10,81,72,000 (b)	1,59,28,000	1,13,45,000
Civil Works	„	1,54,20,200	1,61,49,000	1,50,01,000	1,87,63,000
Miscellaneous	„	5,58,91,383	4,05,91,000	5,30,32,000	5,21,13,000
Lump allowance for further retrenchment in Civil expenditure (including Railways)	„	...	...	...	—4,00,00,000
Military Services	„	77,87,98,340	67,72,14,000	72,29,79,000	64,81,23,000
Miscellaneous adjustments between the Central and Provincial Governments	„	...	63,29,000	3,86,000	3,62,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,42,86,52,017	1,42,39,06,000	1,38,25,52,000	1,30,87,92,000
SURPLUS		...	...	...	23,79,000
TOTAL	...	1,42,86,52,017	1,42,39,06,000	1,38,25,52,000	1,31,11,71,000

(b) Includes adjustment for exchange on net expenditure in England which has been distributed among the individual heads of account in the accounts for 1921-22, the Revised estimates for 1922-23 and the Budget estimates for 1923-24.

A. C. McWATTERS,
Controller of the Currency.

E. M. COOK,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts. Accounts, 1921-22.	Budget Estimate, 1922-23.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
		R	R	R	R
Surplus	C	...	...	...	23,79,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards construction of State Railways	„	63,85,170	3,86,74,000	26,78,000	4,51,26,000
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	„	42,26,70,108	41,21,93,000	66,45,36,000	33,15,56,000
Floating Debt (net incurred)	„	6,92,60,000	...	...	...
Unfunded Debt (net incurred)	„	4,62,46,893	3,07,15,000	3,14,11,000	5,01,85,000
Deposits and Advances (net)	„	18,71,20,018	24,76,67,000	17,98,76,000	12,31,17,000
Loans and Advances by Central Government (net Repayments)	„	...	9,74,000	18,99,000	6,67,000
Remittances (net)	„	3,24,36,065	1,41,53,000	...	...
Secretary of State's Bills drawn	„	...	...	3,27,00,000	...
Balances of Provincial Governments (net)	„	...	...	1,02,29,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES	...	75,77,33,084	70,57,02,000	92,06,51,000	50,55,25,000
TOTAL RECEIPTS	...	76,41,21,254	74,43,76,000	92,33,29,000	55,30,30,000
Opening Balance—India	...	13,53,56,901	22,48,09,901	25,66,13,170	21,33,56,170
England	...	7,20,98,319	7,00,48,319	8,99,53,817	8,04,01,817
TOTAL	...	97,45,76,474	1,04,92,34,220	1,26,98,95,987	84,67,87,987

M. F. GAUNTLETT,
Auditor General,

DELHI,
FINANCE DEPARTMENT,
March 1, 1923.

Central Government, in India and in England.

	For details, *vide* Statement.	Disbursements. Accounts, 1921-22.	Budget Estimate, 1922-23.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
		R	R	R	R
Deficit	C	27,65,01,700	9,16,28,000	17,25,35,000	...
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—					
Construction of State Railways	„	22,96,38,935	30,00,00,000	21,36,05,000	38,63,95,000
Capital outlay on Indian Postal and Telegraph Department	„	31,61,617	1,45,00,000	1,10,36,000	96,22,000
Construction of Irrigation Works	„	1,18,180	2,69,000	2,00,000	22,000
Initial expenditure on new Capital at Delhi	„	1,35,27,418	2,00,00,000	1,91,50,000	1,97,00,000
Payments for discharge of Debentures (net)	„	7,85,276	3,60,49,000	60,00,000	4,51,26,000
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	25,22,31,426	37,08,18,000	24,99,91,000	46,08,65,000
Debt, Deposits and Advances—					
Permanent Debt (net discharged)	„	...	...	...	...
Floating Debt (net discharged)	„	...	29,94,46,000	40,65,00,000	5,50,00,000
Deposits and Advances (net)	„	...	...	...	...
Loans and Advances by Central Government (net Advances)	„	1,47,235	...	...	...
Loans between Central and Provincial Governments (net Advances).	„	6,38,28,435	5,50,00,000	11,43,11,000	13,46,77,000
Remittances (net)	„	...	...	51,01,000	30,15,000
Secretary of State's Bills paid	„	...	...	2,77,00,000	50,00,000
Balances of Provincial Governments (net)	„	3,53,00,691	4,35,44,000	...	1,28,30,000
TOTAL DEBT, DEPOSITS AND ADVANCES	...	9,92,76,361	39,79,90,000	55,36,12,000	21,05,22,000
TOTAL DISBURSEMENTS	...	62,80,09,487	86,04,36,000	97,61,38,000	67,13,87,000
Closing Balance—India	...	25,66,13,170	13,63,34,901	21,33,56,170	13,28,47,170
England	...	8,99,53,817	4,24,63,319	8,04,01,817	4,25,53,817
TOTAL	...	97,45,76,474	1,03,92,34,220	1,26,98,95,987	84,67,87,987

A. C. McWATTERS,
Controller of the Currency.

E. M. COOK,
Secretary to the Government of India.

A.—Statement of the Revenue of the

HEADS OF REVENUE.	Accounts, 1921-22.				Revised Estimate,		
	India.	* England.	Exchange.	Total.	India.	* England.	Exchang
	R	R	R	R	R	R	R
Principal Heads of Revenue—							
I.—Customs	34,40,98,381	...	...	**34,40,98,381**	42,30,03,000	...	...
II.—Taxes on Income	18,74,13,424	...	...	**18,74,13,424**	18,69,31,000	...	...
III.—Salt	6,34,37,848	...	...	**6,34,37,848**	7,17,84,000	...	...
IV.—Opium	3,07,24,798	...	...	**3,07,24,798**	3,98,68,000	...	...
V.—Land Revenue	33,18,286	...	...	**33,18,286**	43,81,000	...	...
VI.—Excise	53 80,399	...	...	**53,80,399**	51,67,000	...	...
VII.—Stamps—							
A.—Non-judicial	24,61,081	...	...	**24,61,081**	9,15,000	...	...
B.—Judicial					15,67,000	...	...
VIII.—Forest	19,68,643	...	...	**19,68,643**	26,16,000	...	...
IX.—Registration	1,70,705	...	...	**1,70,705**	1,51,000	...	...
X.—Tributes from Indian States	87,17,807	...	...	**87,17,807**	89,40,000	...	...
Total	64,76,91,372	...	...	**64,76,91,372**	74,53,23,000	...	...
Railways—							
XI.—State Railways—							
Gross Receipts	81,61,93,079	4,85,127	2,49,171	**81,69,27,377**	92,00,00,000	4,84,000	2,42,0
Deduct—Working Expenses	*65,66,78,003*	...	...	***65,66,78,003***	*66,33,85,000*	...	...
Surplus Profits paid to Companies	*1,06,40,122*	...	...	***1,06,40,122***	*68,07,000*	...	...
Net Receipts	14,88,74,954	4,85,127	2,49,171	**14,96,09,252**	24,98,08,000	4,84,000	2,42,0
XII.—Subsidised Companies	3,32,795	14,25,370	7,15,412	**24,73,577**	7,73,000	12,16,000	6,08,0
Total	14,92,07,749	19,10,497	9,64,583	**15,20,82,829**	25,05,81,000	17,00,000	8,50,0
Irrigation, etc.—							
XIII.—Works for which Capital accounts are kept	5,92,895	...	...	**5,92,895**	10,70,000	—33,000	—17,0
XIV.—Works for which no Capital accounts are kept	1,246	...	...	**1,246**	6,000	...	...
Total	5,94,141	...	...	**5,94,141**	10,76,000	—33,000	—17,0
Posts and Telegraphs—							
XV.—Gross Receipts	9,33,54,859	14,48,633	6,99,509	**9,55,03,001**	10,01,69,000	14,77,000	7,39,0
Deduct—Working Expenses	*8,95,24,346*	*2,13,655*	*1,12,222*	***8,98,50,223***	*9,27,38,000*	*3,96,000*	*1,98,0*
Net Receipts	38,30,513	12,34,978	5,87,287	**56,52,778**	74,36,000	10,81,000	5,41,0
Interest Receipts—							
XVI.—Interest	73,11,669	25,02,143	12,86,888	**1,11,00,700**	80,00,000	16,07,000	8,04,0
Carried over	80,86,35,444	56,47,618	28,38,758	**81,71,21,820**	1,01,24,16,000	43,55,000	21,78,0

* Sterling converted into Rupees at £1 = Rs. 10

Central Government, in India and in England.

1922-23.	Increase (+) Decrease (—) as compared with Budget Estimate, 1922-23.	Budget Estimate, 1923-24.				Increase (+) Decrease (—) as compared with Budget, 1922-23.	Increase (+) Decrease (—) as compared with Revised, 1922-23.
Total.		India.	*England	Exchange.	Total.		
R	R	R	R	R	R	R	R
42,30,03,000	—3,11,81,000	45,09,41,000	...	...	**45,09,41,000**	—32,43,000	+2,79,38,000
18,69,31,000	—3,42,08,000	19,04,64,000	...	...	**19,04,64,000**	—3,06,75,000	+35,33,000
7,17,84,000	+31,81,000	11,75,00,000	...	...	**11,75,00,000**	+4,88,97,000	+4,57,16,000
3,98,68,000	+89,38,000	3,93,12,000	...	...	**3,93,12,000**	+83,82,000	—5,56,000
43,81,000	—12,000	43,94,000	...	...	**43,94,000**	+1,000	+13,000
51,67,000	—4,55,000	52,58,000	...	...	**52,58,000**	—3,64,000	+91,000
9,15,000	—93,000	9,66,000	...	...	**9,66,000**	—42,000	+51,000
15,67,000	+1,46,000	16,15,000	...	...	**16,15,000**	+1,94,000	+48,000
26,16,000	+4,48,000	34,57,000	...	...	**34,57,000**	+12,89,000	+8,41,000
1,51,000	—17,000	1,62,000	...	...	**1,62,000**	—6,000	+11,000
89,40,000	+1,35,000	86,45,000	...	...	**86,45,000**	—1,60,000	—2,95,000
74,53,23,000	—5,31,18,000	82,27,14,000	...	...	**82,27,14,000**	+2,42,73,000	+7,73,91,000
92,07,26,000	—7,50,00,000	95,50,00,000	4,83,000	2,41,000	**95,57,24,000** (a)	—4,00,02,000	+3,49,98,000
66,33,85,000	+1,71,89,000	*66,51,50,000*	...	...	***66,51,50,000*** (b)	+1,54,24,000	—17,65,000
68,07,000	—8,07,000	*98,77,000*	...	...	***98,77,000***	—38,77,000	—30,70,000
25,05,34,000	—5,86,18,000	27,99,73,000	4,83,000	2,41,000	**28,06,97,000**	—2,84,55,000	+3,01,63,000
25,97,000	+6,55,000	4,76,000	9,90,000	4,95,000	**19,61,000**	+19,000	—6,36,000
25,31,31,000	—5,79,63,000	28,04,49,000	14,73,000	7,36,000	**28,26,58,000**	—2,84,36,000	+2,95,27,000
10,20,000 (c)	+3,02,000	11,26,000	—45,000	—22,000	**10,59,000** (d)	+3,41,000	+39,000
6,000	+2,000	4,000	...	...	**4,000**	...	—2,000
10,26,000	+3,04,000	11,30,000	—45,000	—22,000	**10,63,000**	+3,41,000	+37,000
10,23,85,000	—91,69,000	10,52,03,000	13,20,000	6,60,000	**10,71,83,000**	—43,71,000	+47,98,000
9,33,27,000	+6,99,000	*8,63,38,000*	*3,34,000*	*1,67,000*	***8,68,39,000*** (e)	+71,87,000	+64,88,000
90,58,000	—84,70,000	1,88,65,000	9,86,000	4,93,000	**2,03,44,000**	+28,16,000	+1,12,86,000
1,04,11,000	+19,80,000	81,74,000	1,12,81,000	56,41,000	**2,50,96,000**	+1,66,65,000	+1,46,85,000
1,01,89,49,000	—11,72,67,000	1,13,13,32,000	1,36,95,000	68,48,000	**1,15,18,75,000**	+1,56,59,000	+13,29,26,000

(a) Of this amount R34,07,000 is non-voted and the balance of R66,17,43,000 is voted.
(b) The whole of this amount is voted.
(c) Represents net receipts after deduction of R12,14,000 on account of working expenses.
(d) Represents net receipts after deduction of R11,34,000 on account of working expenses of which R1,54,000 is non-voted and the balance of R9,80,000 is voted.
(e) Of this amount, R18,36,000 is non-voted and the balance of R8,50,03,000 is voted.

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	Accounts, 1921-22.				Revised Estimate.		
	India.	England.	Exchange.	Total.	India.	England.	Exchange.
	R	R	R	R	R	R	R
Brought forward	80,86,35,444	56,47,618	28,38,758	**81,71,21,820**	1,01,24,16,000	43,55,000	21,78,000
Civil Administration—							
XVII.—Administration of Justice	3,33,367	...	...	**3,33,367**	3,59,000	...	...
XVIII.—Jails and Convict Settlements	8,10,099	...	...	**8,10,099**	8,24,000	...	...
XIX.—Police	15,16,019	...	...	**15,16,019**	1,63,000	...	...
XX.—Ports and Pilotage	21,94,410	...	...	**21,94,410**	21,78,000	...	...
XXI.—Education	1,22,888	...	...	**1,22,888**	1,27,000	...	...
XXII.—Medical	55,495	1,361	700	**57 556**	51,000	1,000	...
XXIII.—Public Health	2,49,205	...	...	**2,49,205**	1,25,000	...	...
XXIV.—Agriculture	5,10,958	...	...	**5,10,958**	4,79,000	...	...
XXV.—Industries	...	...	...	...	2,000	...	...
XXVI.—Miscellaneous Departments	19,34,709	...	...	**19,34,708**	13,11,000	...	...
Total	77,27,150	1,361	700	**77,29,211**	56,19,000	1,000	...
Currency, Mint and Exchange—							
XXVII.—Currency	3,60,90,284	40,69,643	20,93,075	**4,22,53,002**	3,14,27,000	14,57,000	7,29,000
XXVIII.—Mint	14,89,091	...	...	**14,89,091**	16,96,000	1,000	...
Total	3,75,79,375	40,69,643	20,93,075	**4,37,42,093**	3,31,23,000	14,58,000	7,29,000
Civil Works—							
XXX.—Civil works	11,33,782	...	...	**11,33,782**	11,25,000	...	...
Miscellaneous—							
XXXIII.—Receipts in aid of Superannuation	21,85,545	3,88,518	1,99,820	**27,73,883**	19,62,000	3,68,000	1,84,000
XXXIV.—Stationery and Printing	8,58,925	12,024	6,184	**8,77,133**	15,25,000	6,000	3,000
XXXV.—Miscellaneous	5,87,31,804	62,56,334	32,17,721	**6,82,05,859**	8,01,000	12,75,000	6,38,000
Total	6,17,76,274	66,56,876	34,23,725	**7,18,56,875**	42,88,000	16,49,000	8,25,000
Military Receipts—							
XXXVI.—Army—							
Effective	3,62,43,164	1,04,37,770	1,19,50,280	**7,24,22,501**	2,90,33,000	69,50,000	34,75,000
Non-effective	9,93,678	1,27,97,609			9,01,000	15,45,000	7,72,000
	3,72,36,842	2,32,35,379	1,19,50,280	**7,24,22,501**	2,99,34,000	84,95,000	42,47,000
XXXVII.—Marine	53,17,334	5,33,787	2,74,534	**61,25,655**	35,85,000	...	...
XXXVIII.—Military Works	21,45,676	...	...	**21,45,676**	38,40,000	...	...
Total	4,46,99,852	2,37,69,166	1,22,24,814	**8,06,93,832**	3,73,59,000	84,95,000	42,47,000
Contributions and Assignments to the Central Government by Provincial Governments—							
XXXIX.—Contributions and Assignments to the Central Government by Provincial Governments	12,97,80,933	...	...	**12,97,80,933**	9,20,00,000	...	...
XL.—Miscellaneous adjustments between the Central and Provincial Governments	91,771	...	...	**91,771**	1,50,000	...	...
Total	12,98,72,704	...	...	**12,98,72,704**	9,21,50,000	...	...
TOTAL REVENUE	1,09,14,24,581	4,01,44,664	2,05,81,072	**1,15,21,50,317**	1,18,60,80,000	1,59,58,000	79,79,000

* Sterling converted into Rupees at £1 = Rs. 16.

Government, in India and in England—*continued.*

1922-23.	Increase (+) Decrease (−) as compared with Budget Estimate, 1922-23.	Budget Estimate, 1923-24.				Increase (+) Decrease (—) as compared with Budget, 1922-23.	Increase (+) Decrease (—) as compared with Revised, 1922-23.
Total.		India.	* England.	Exchange.	Total.		
R	R	R	R	R	R	R	R
1,01,89,49,000	−11,72,67,000	1,13,13,32,000	1,36,95,000	68,48,000	**1,15,18,75,000**	+ 1,56,59,000	+ 13,29,26,000
3,59,000	+ 10,000	3,84,000	...	...	**3,84,000**	+ 35,000	+ 25,000
8,24,000	−2,87,000	9,09,000	...	...	**9,09,000**	−2,02,000	+ 85,000
1,63,000	−12,00,000	1,64,000	...	...	**1,64,000**	−11,99,000	+ 1,000
21,78,000	−2,43,000	24,51,000	...	...	**24,51,000**	+ 30,000	+ 2,73,000
1,27,000	+ 10,000	1,33,000	...	...	**1,33,000**	+ 16,000	+ 6,000
52,000	+ 2,000	1,07,000	...	...	**1,07,000**	+ 57,000	+ 53,000
1,25,000	−1,82,000	1,22,000	...	...	**1,22,000**	−1,85,000	−3,000
4,79,000	−2,01,000	5,01,000	...	...	**5,01,000**	−1,79,000	+ 22,000
2,000	−1,98,000	...	...	...	...	−2,00,000	−2,000
13,11,000	−7,40,000	14,37,000	...	...	**14,37,000**	−6,14,000	+ 1,26,000
56,20,000	−30,29,000	62,08,000	...	...	**62,08,000**	−24,41,000	+ 5,88,000
3,36,13,000	+ 33,00,000	2,59,40,000	3,30,000	1,65,000	**2,64,35,000**	− 38,78,000	−71,78,000
16,97,000	−2,21,000	4,90,000	1,000	...	**4,91,000**	−14,27,000	−12,06,000
3,53,10,000	+ 30,79,000	2,64,30,000	3,31,000	1,65,000	**2,69,26,000**	−53,05,000	−83,84,000
11,25,000	+ 33,000	10,69,000	...	...	**10,69,000**	−23,000	−56,000
25,14,000	+ 2,13,000	19,95,000	3,51,000	1,76,000	**25,22,000**	+ 2,21,000	+ 8,000
15,34,000	−2,07,000	11,67,000	7,000	3,000	**11,77,000**	−5,64,000	−3,57,000
27,14,000	+ 1,45,000	3,64,000	5,14,000	2,57,000	**11,35,000**	−14,34,000	−15,79,000
67,62,000	+ 1,51,000	35,26,000	8,72,000	4,36,000	**48,34,000**	−17,77,000	−19,28,000
3,94,58,000	−99,58,000	1,74,00,000	27,83,000	13,91,000	**2,15,74,000**	− 2,78,42,000	−1,78,84,000
32,18,000	+ 7,73,000	9,98,000	11,95,000	5,98,000	**27,91,000**	+ 3,46,000	−4,27,000
4,26,76,000	−91,85,000	1,83,98,000	39,78,000	19,89,000	**2,43,65,000**	−2,74,96,000	−1,83,11,000
35,85,000	+ 15,62,000	21,29,000	...	...	**21,29,000**	+ 1,06,000	−14,56,000
38,40,000	+ 23,10,000	16,29,000	...	...	**16,29,000**	+ 99,000	−22,11,000
5,01,01,000	−53,13,000	2,21,56,000	39,78,000	19,89,000	**2,81,23,000**	−2,72,91,000	−2,19,78,000
9,20,00,000	...	9,20,00,000	...	...	**9,20,00,000**	...	...
1,50,000	+ 85,000	1,36,000	...	...	**1,36,000**	+ 71,000	− 14,000
9,21,50,000	+ 85,000	9,21,36,000	...	...	**9,21,36,000**	+ 71,000	−14,000
1,21,00,17,000	−12,22,61,000	1,28,28,57,000	1,88,76,000	94,38,000	**1,31,11,71,000**	−2,11,07,000	+ 10,11,54,000

B.—Statement of the Expenditure charged to the Revenue

HEADS OF EXPENDITURE.	Accounts, 1921-22.				Revised Estimate,		
	India.	England.	Exchange.	Total.	India.	England.	Exchange.
	R	R	R	R	R	R	R
Direct Demands on the Revenues—							
1.—Customs	64,49,533	91,196	46,903	**65,87,632**	69,54,000	97,000	48,000
2.—Taxes on income	22,26,823	15,947	8,202	**22,50,972**	45,17,000	47,000	24,000
3.—Salt	1,55,36,588	74,296	38,212	**1,56,49,096**	1,59,77,000	65,000	32,000
4.—Opium	1,79,25,207	52,605	27,055	**1,80,04,867**	1,87,91,000	51,000	26,000
5.—Land Revenue	14,48,707	12,887	6,628	**14,67,522**	13,31,000	31,000	15,000
6.—Excise	2,53,939	1,701	875	**2,56,515**	2,71,000	21,000	11,000
7.—Stamps—							
A.—Non-judicial	36,57,439	59,859	30,786	**37,48,084**	-28,81,000	20,00,000	10,00,000
B.—Judicial					1,44,000	...	...
8.—Forests	38,58,586	5,56,714	2,86,326	**47,01,626**	35,57,000	6,00,000	3,00,000
9.—Registration	45,885	...	...	**45,885**	44,000	...	...
Total	5,14,02,007	8,65,205	4,44,987	**5,27,12,199**	4,87,05,000	29,12,000	14,56,000
Railway Revenue Account—							
10.—State Railways:							
Interest on Debt	9,22,00,832	4,24,61,280	2,16,85,936	**15,63,48,048**	10,58,98,000	4,25,23,000	2,12,62,000
Interest on Capital contributed by Companies	3,49,068	2,17,07,853	1,14,60,434	**3,35,17,355**	4,05,000	2,18,66,000	1,09,33,000
Annuities in purchase of Railways	...	3,35,72,931	1,72,10,797	**5,07,83,728**	...	3,35,75,000	1,67,87,000
Sinking Funds	...	28,74,409	14 61,021	**43,35,430**	...	30,74,000	15,37,000
11.—Subsidised Companies	7,19,922	...	...	**7,19,922**	10,80,000	...	...
12.—Miscellaneous Railway Expenditure	—52,46,439	16,81,907	8,42,621	**—27,21,911**	10,10,000	16,27,000	8,14,000
Total	8,80,23,383	10,32,98,380	5,26,60,809	**24,29,82,572**	10,83,93,000	10,26,65,000	5,13,33,000
Irrigation, etc., Revenue Account—							
14.—Works for which Capital accounts are kept—	12,18,481	...	...	**12,18,481**	10,76,000	...	...
Interest on Debt	1,18,381	24,718	12,717	**1,55,816**	1,14,000	...	...
15.—Other Revenue Expenditure							
Total	13,36,862	24,718	12,717	**13,74,297**	11,90,000	...	...
Irrigation, etc., Capital Account (charged to Revenue)—							
16.—Construction of Irrigation, etc., Works—Financed from Ordinary Revenues	74,157	...	...	**74,157**	35,000	...	...
Posts and Telegraphs Revenue Account—							
17.—Posts and Telegraphs—							
Interest on Debt	56,81,015	...	...	**56,81,015**	62,05,000	...	...
Miscellaneous Expenditure	...	...	...	...	—54,13,000	41,00,000	20,50,000
Total	56,81,015	...	...	**56,81,015**	7,92,000	41,00,000	20,50,000
Posts and Telegraphs Capital Account (charged to Revenue)—							
18.—Capital outlay on Posts and Telegraphs—Indo-European Telegraph Department	—42,92,577	1,00,72,358	51,39,701	**1,09,19,482**	—5,02,000	1,35,000	67,000
Debt Services—							
19.—Interest on Ordinary Debt	19,05,17,484	7,23,92,711	3,70,80,095	**29,99,90,290**	17,54,00,000	8,66,11,000	4,33,06,000
Deduct—Amount chargeable to—							
Railways	*9,22,00,832*	*4,24,61,280*	*2,16,85,936*	***15,63,48,048***	*10,58,98,000*	*4,25,23,000*	*2,12,62,000*
Irrigation	*12,18,481*	...	...	***12,18,481***	*10,76,000*	...	...
Posts and Telegraphs	*56.81,015*	...	...	***56,81,015***	*62,05,000*	...	...
Provincial Governments	*2,58,41,800*	...	...	***2,58,41,800***	*3,10,54,000*	...	...
Remainder chargeable to Ordinary Debt	6,55,75,356	2,99,31,431	1,53,94,159	**11,09,00,946**	2,11,67,000	4,40,88,000	2,20,44,000
20.—Interest on other Obligations	2,60,97,497	-	...	**2,60,97,497**	3,15,01,000	60,000	30,000
21.—Sinking Funds	1,54,00,000	50,00,000	25,71,571	**2,29,71,571**	1,54,00,000	50,00,000	25,00,000
Total	10,70,72,853	3,49,31,431	1,79,65,730	**15,99,70,014**	7,80,68,000	4,91,48,000	2,45,74,000
Carried over	24,92,97,700	14,81,92,092	7,62,23,944	**47,37,13,736**	23,66,81,000	15,89,60,000	7,94,80,000

*Sterling converted into Rupees at £1 = Rs. 10.

of the Central Government, in India and in England.

1922-23.		Budget Estimate, 1923-24.							
Total.	Increase (+) Decrease (—) as compared with Budget, 1922-23.	India.	* England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1922-23.	Increase (+) Decrease (—) as compared with Revised, 1922-23.	Distribution of Total between	
								Voted.	Non-voted.
R	R	R	R	R	R	R	R	R	R
70,99,000	+2,54,000	75,84,000	90,000	45,000	77,19,000	+9,04,000	+6,20,000	67,22,000	9,97,000
45,88,000	—80,000	62,87,000	61,000	31,000	63,79,000	+17,11,000	+17,91,000	60,07,000	3,72,000
1,60,74,000	—12,55,000	1,54,50,000	56,000	28,000	1,55,34,000	—17,95,000	—5,40,000	1,14,97,000	40,37,000
1,88,68,000	+2,47,000	1,88,42,000	59,000	30,000	1,89,31,000	+3,10,000	+63,000	1,87,76,000	1,55,000
13,77,000	—1,77,000	11,62,000	21,000	10,000	11,93,000	—3,61,000	—1,84,000	10,86,000	1,07,000
3,03,000	+19,000	2,53,000	14,000	7,000	2,74,000	—10,000	—29,000	1,52,000	1,22,000
1,19,000	—7,57,000	—37,83,000	27,00,000	13,50,000	2,67,000	—6,09,000	+1,48,000	} 2,89,000	21,000
1,44,000	—1,66,000	43,000	...	...	43,000	—2,67,000	—1,01,000		
44,57,000	—3,70,000	40,42,000	4,43,000	2,21,000	47,06,000	—1,21,000	+2,49,000	40 72,000	6,34,000
44,000	—4,000	42,000	...	...	42,000	—6,000	—2,000	38,000	4,000
5,30,73,000	—22,59,000	4,99,22,000	34,44,000	17,22,000	5,50,88,000	—2,44,000	+20,15,000	4,86,39,000	64,49,000
16,96,83,000	+27,09,000	12,16,05,000	4,41,23,000	2,20,62,000	18,77,90,000	+2,08,16,000	+1,81,07,000	...	18,77,90,000
3,32,04,000	—4,44,000	3,69,000	2,12,41,000	1,06,20,000	3,22,30,000	—14,18,000	—9,74,000	...	3,22,30,000
5,03,62,000	..	...	3,35,75,000	1,67,87,000	5,03,62,000	...	...	...	5,03,62,000
46,11,000	+29,000	...	32,73,000	16,37,000	49,10,000	+3,28,000	+2,99,000	...	49,10,000
10,80,000	—9,03,000	25,90,000	...	...	25,90,000	+6,07,000	+15,10,000	25,90,000	...
34,51,000	+11,47,000	—11,26,000	15,84,000	7,92,000	12,50,000	—10,54,000	—22,01,000	5,69,000	6,81,000
26,23,91,000	+25,38,000	12,34,38,000	10,37,96,000	5,18,98,000	27,91,32,000	+1,92,79,000	+1,67,41,000	31,59,000	27,59,73,000
10,76,000	+1,25,000	10,88,000	...	...	10,88,000	+1,37,000	+12,000	...	10,88,000
1,14,000	—19,000	1,16,000	...	...	1,16,000	—17,000	+2,000	1,16,000	...
11,90,000	+1,06,000	12,04,000	...	...	12,04,000	+1,20,000	+14,000	1,16,000	10,88,000
35,000	...	2,15,000	1,000	...	2,16,000	+1,81,000	+1,81,000	2,16,000	...
62,05,000	—3,95,000	68,28,000	...	...	68,28,000	+2,28,000	+6,23,000	...	68,28,000
(a)7,37,000	—24,24,000	—46,05,000	25,00,000	12,50,000	(a)—8,55,000	—40,16,000	—15,92,000	—8,55,000	...
69,42,000	—28,19,000	22,23,000	25,00,000	12,50,000	59,73,000	—37,88,000	—9,69,000	—8,55,000	68,28,000
—3,00,000	—2,71,000	—6,56,000	2,25,000	1,12,000	—3,19,000	—2,90,000	—19,000	—3,19,000	...
30,53,17,000	+2,28,86,000	20,29,30,000	10,04,95,000	5,02,48,000	35,36,73,000	+7,12,42,000	+4,83,56,000	...	...
16,96,83,000	—2,40,22,000	*12,16,05,000*	*4,41,23,000*	*2,20,62,000*	*18,77,90,000*	—4,21,29,000	—1,81,07,000	...	...
10,76,000	—1,25,000	*10,88,000*	...	...	*10,88,000*	—1,37,000	—12,000	...	...
62,05,000	+3,95,000	*68,28,000*	...	...	*68,28,000*	—2,28,000	—6,23,000	...	...
3,10,54,000	—10,81,000	*4,00,15,000*	...	...	*4,00,15,000*	—1,00,42,000	—89,61,000	...	...
9,72,89,000	—19,47,000	3,33,24,000	5,63,72,000	2,81,86,000	11,79,52,000	+1,87,06,000	+2,06,53,000	22,000	11,79,30,000
3,15,91,000	—7,72,000	3,21,07,000	36,000	18,000	3,21,61,000	—2,02,000	+5,70,000	3,21,07,000	54,000
2,29,00,000	+25,00,000	1,54,00,000	44,29,000	22,15,000	2,20,44,000	+16,44,000	—8,56,000	...	2,20,44,000
15,17,90,000	—2,19,000	8,09,01,000	6,08,37,000	3,04,19,000	17,21,57,000	+2,01,48,000	+2,03,67,000	3,21,29,000	14,00,28,000
47,51,21,000	—29,24,000	25,72,47,000	17,08,03,000	8,54,01,000	51,34,51,000	+3,54,06,000	+383,30,000	8,30,85,000	43,03,66,000

(a) The corresponding actuals for 1921-22 are included under "18—Capital outlay on Posts and Telegraphs."

B.—Statement of the Expenditure charged to the Revenues

HEADS OF EXPENDITURE.	ACCOUNTS, 1921-22.				REVISED ESTIMATE,		
	India.	* England.	Exchange.	TOTAL.	India.	* England.	Exchange.
	R	R	R	R	R	R	R
Brought forward	24,92,97,700	14,81,92,092	7,62,23,944	47,37,13,736	23,66,81,000	15,89,60,000	7,94,80,000
Civil Administration—							
22.—General Administration—							
A.—Heads of Provinces (including Governor General) and Executive Councils					25,61,000	...	...
B.—Legislative Bodies					8,28,000	...	...
C.—Secretariat and headquarters establishment	1,28,48,917	...	...	1,28,48,917	79,21,000	...	...
D.—Commissioners					...	...	...
E.—District Administration					17,46,000	...	...
F.—Home Administration, etc.	...	42,33,257	21,77,224	64,10,481	...	52,45,000	26,23,000
23.—Audit	66,33,288	2,72,844	1,40,327	70,46,459	72,41,000	3,27,000	1,63,000
24.—Administration of Justice	9,81,071	34,743	17,869	10,33,683	9,84,000	87,000	44,000
25.—Jails and Convict Settlements	44,97,869	11,959	6,151	45,15,979	44,65,000	35,000	17,000
26.—Police	86,14,446	93,138	47,902	87,55,486	86,52,000	1,75,000	88,000
27.—Ports and Pilotage	21,64,743	1,85,537	79,995	24,00,275	20,74,000	2,35,000	1,17,000
28.—Ecclesiastical	26,50,022	2,64,440	1,36,005	30,50,467	26,84,000	2,90,000	1,45,000
29.—Political	2,13,20,046	8,20,122	4,21,801	2,25,61,969	2,80,78,000	6,51,000	3,26,000
30.—Scientific Departments	1,05,93,741	3,91,250	2,01,226	1,11,86,217	85,51,000	6,55,000	3,28,000
31.—Education	30,53,986	72,312	37,191	31,43,489	30,48,000	55,000	28,000
32.—Medical	27,48,814	2,08,411	1,07,189	30,64,414	24,78,000	4,20,000	2,10,000
33.—Public Health	15,82,030	38,588	19,846	16,40,464	15,98,000	60,000	30,000
34.—Agriculture	19,37,228	90,065	46,322	20,73,615	19,72,000	81,000	40,000
35.—Industries	24,137	68,545	35,254	1,27,936	15,000	28,000	14,000
36.—Aviation	87,572	299	154	88,025	40,000	2,000	1,000
37.—Miscellaneous Departments	38,73,043	1,71,119	88,009	41,32,171	20,79,000	3,33,000	1,91,000
TOTAL	8,35,90,953	69,26,629	35,02,400	9,40,80,047	8,70,11,000	87,29,000	43,65,000
Currency, Mint and Exchange—							
38.—Currency	27,84,437	41,54,075	21,36,500	90,75,012	29,02,000	40,90,000	20,45,000
39.—Mint	15,94,405	52,099	26,795	16,73,299	17,85,000	71,000	35,000
40.—Exchange	...	...	...	...	...	...	50,00,000
TOTAL	43,78,842	42,06,174	21,63,295	1,07,48,311	46,87,000	41,61,000	70,80,000
Civil Works—							
41.—Civil Works	1,51,30,197	1,91,508	98,495	1,54,20,200	1,48,07,000	1,29,000	65,000
Miscellaneous—							
43.—Famine Relief and Insurance—							
A.—Famine Relief	2,91,738	...	...	2,91,738	57,000	...	...
44.—Territorial and Political Pensions	28,03,614	1,15,529	59,418	29,78,561	27,90,000	1,16,000	58,000
45.—Superannuation Allowances and Pensions	29,50,461	2,07,76,801	1,06,85,803	3,44,13,065	38,75,000	2,19,71,000	1,09,86,000
46.—Stationery and Printing	57,05,101	14,84,975	7,63,744	79,53,820	39,42,000	14,92,000	7,46,000
47.—Miscellaneous	69,07,930	22,09,759	11,36,510	1,02,54,199	46,82,000	15,45,000	7,72,000
TOTAL	1,86,58,844	2,45,87,064	1,26,45,475	5,58,91,383	1,53,46,000	2,51,24,000	1,25,62,000
Lump allowance for further retrenchment in Civil expenditure (including Railways)	...	...	...	...	...	...	...
Military Services—							
48.—Army—							
Effective	49,65,16,677	8,25,25,297	5,96,05,751	70,85,71,984	44,12,88,000	8,22,92,000	4,11,46,000
Non-effective	3,65,55,901	3,33,68,358			4,16,67,000	3,45,30,000	1,72,65,000
	53,30,72,578	11,58,93,655	5,96,05,751	70,85,71,984	48,29,55,000	11,68,22,000	5,84,11,000
49.—Marine	1,10,20,093	40,65,559	20,90,974	1,71,76,626	89,56,000	28,09,000	14,05,000
50.—Military Works	5,12,03,112	12,19,442	6,27,176	5,30,49,730	4,90,04,000	17,47,000	8,72,000
TOTAL	59,52,95,783	12,11,78,656	6,23,23,901	77,87,98,340	54,09,15,000	12,13,76,000	6,06,88,000
Contributions and Assignments to the Central Government by Provincial Governments—							
52.—Miscellaneous adjustments between the Central and Provincial Governments	...	...	...	...	3,86,000	...	...
TOTAL EXPENDITURE CHARGED TO REVENUE	96,63,52,319	30,52,82,123	15,70,17,575	1,42,86,52,017	89,98,33,000	31,84,79,000	16,42,49,000

*Sterling converted into Rupees at £1=R10.

of the Central Government in India and in England—*continued.*

1922-23.		BUDGET ESTIMATE, 1923-24.							
								Distribution of Total between	
Total.	Increase (+) Decrease (—) as compared with Budget, 1922-23.	India.	* England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1922-23.	Increase (+) Decrease (—) as compared with Revised, 1922-23.	Voted.	Non-voted.
R	R	R	R	R	R	R	R	R	R
47,51,21,000	—29,24,000	25,72,47,000	17,08,03,000	8,54,01,000	**51,34,51,000**	+3,54,06,000	+3,83,30,000	8,30,85,000	43,03,66,000
25,61,000	+5,12,000	24,35,000	...	...	**24,35,000**	+3,86,000	—1,26,000		
8,28,000	—22,000	9,18,000	...	...	**9,18,000**	+68,000	+90,000		
79,21,000	—1,10,000	79,12,000	...	...	**79,12,000**	—1,19,000	—9,000	1,10,16,000	64,46,000
...	...	14,000	...	...	**14,000**	+14,000	+14,000		
17,46,000	+1,32,000	16,69,000	...	...	**16,69,000**	+55,000	—77,000		
78,68,000	+31,77,000	...	30,09,000	15,05,000	**45,14,000**	—1,77,000	—33,54,000		
77,31,000	—4,45,000	75,62,000	2,52,000	1,26,000	**79,40,000**	—2,36,000	+2,09,000	70,72,000	8,68,000
11,15,000	+1,13,000	10,81,000	82,000	41,000	**12,04,000**	+2,02,000	+89,000	7,75,000	4,29,000
45,17,000	—94,000	40,43,000	27,000	13,000	**40,83,000**	—3,34,000	—4,28,000	38,73,000	2,16,000
89,15,000	+7,89,000	87,65,000	1,22,000	61,000	**89,48,000**	+8,22,000	+33,000	79,56,000	9,92,000
24,26,000	—82,000	22,05,000	2,41,000	1,21,000	**25,67,000**	+59,000	+1,41,000	11,29,000	14,38,000
31,19,000	—1,23,000	29,03,000	2,83,000	1,41,000	**33,27,000**	+85,000	+2,08,000	...	33,27,000
2,90,50,000	+1,51,000	3,24,24,000	4,72,000	2,36,000	**3,31,36,000**	+42,37,000	+40,86,000	...	3,31,36,000
95,34,000	—12,84,000	90,99,000	7,74,000	3,87,000	**1,02,60,000**	—5,58,000	+7,26,000	81,61,000	20,99,000
31,31,000	—1,19,000	33,75,000	74,000	37,000	**34,86,000**	+2,36,000	+3,55,000	28,04,000	6,82,000
31,09,000	+11,000	25,58,000	3,36,000	1,68,000	**30,62,000**	—36,000	—47,000	20,24,000	10,38,000
16,86,000	+88,000	21,17,000	52,000	26,000	**21,95,000**	+5,95,000	+5,07,000	10,94,000	11,01,000
20,93,000	—1,76,000	20,40,000	84,000	42,000	**21,66,000**	—1,03,000	+73,000	16,79,000	4,87,000
57,000	—87,000	45,000	21,000	10,000	**76,000**	—68,000	+19,000	55,000	21,000
43,000	—5,000	44,000	...	...	**44,000**	—4,000	+1,000	29,000	15,000
26,53,000	+85,000	19,56,000	18,11,000	9,06,000	**46,73,000**	+21,05,000	+20,20,000	43,35,000	3,38,000
10,01,05,000	+26,99,000	9,31,75,000	76,40,000	38,20,000	**10,46,35,000**	+72,29,000	+45,30,000	5,20,02,000	5,26,33,000
90,37,000	+26,07,000	30,39,000	43,00,000	21,50,000	**94,89,000**	+30,59,000	+4,52,000	92,89,000	2,00,000
18,91,000	—3,01,000	17,37,000	79,000	40,000	**18,56,000**	—3,36,000	—35,000	16,64,000	1,92,000
50,00,000	—9,45,50,000	...	...	...	...	—9,95,50,000	—50,00,000	...	...
1,59,28,000	—9,22,44,000	47,76,000	43,79,000	21,90,000	**1,13,45,000**	—9,68,27,000	—45,83,000	1,09,53,000	3,92,000
1,50,01,000	—11,48,000	1,86,19,000	96,000	48,000	**1,87,63,000**	+26,14,000	+37,62,000	1,27,07,000	60,56,000
57,000	+30,000	5,000	...	...	**5,000**	—52,000	—52,000	5,000	...
29,64,000	—1,20,000	28,12,000	1,16,000	58,000	**29,86,000**	—98,000	+22,000	...	29,86,000
3,68,32,000	+1,21,07,000	41,55,000	2,04,05,000	1,02,02,000	**3,47,62,000**	+1,00,37,000	—20,70,000	50,37,000	2,97,25,000
61,80,000	—4,56,000	44,02,000	19,03,000	9,52,000	**72,57,000**	+6,21,000	+10,77,000	72,06,000	51,000
69,99,000	+8,80,000	50,01,000	13,98,000	6,99,000	**71,03,000**	+9,84,000	+1,04,000	42,22,000	28,81,000
5,30,32,000	+1,24,41,000	1,63,80,000	2,38,22,000	1,19,11,000	**5,21,13,000**	+1,15,22,000	—9,19,000	1,64,70,000	3,56,43,000
...	...	—4,00,00,000	...	...	**—4,00,00,000**	—4,00,00,000	—4,00,00,000	—4,00,00,000	...
56,47,26,000	+2,18,26,000	41,29,55,000	6,18,13,000	3,09,07,000	**50,56,75,000**	—3,72,25,000	—5,90,51,000	...	50,56,75,000
9,34,62,000	+1,93,29,000	3,70,12,000	3,56,30,000	1,78,15,000	**9,04,57,000**	+1,63,24,000	—30,05,000	...	9,04,57,000
65,81,88,000	+4,11,55,000	44,99,67,000	9,74,43,000	4,87,22,000	**59,61,32,000**	—2,09,01,000	—6,20,56,000	...	59,61,32,000
1,31,70,000	—226,000	59,01,000	24,90,000	12,45,000	**96,36,000**	—37,60,000	—35,34,000	...	96,36,000
5,16,21,000	+4836,000	4,15,98,000	5,05,000	2,52,000	**4,23,55,000**	—44,30,000	—92,66,000	...	4,23,55,000
72,29,79,000	+4,57,65,000	49,74,66,000	10,04,38,000	5,02,19,000	**64,81,23,000**	—2,90,91,000	—7,48,56,000	...	64,81,23,000
3,86,000	—59,43,000	3,62,000	...	...	**3,62,000**	—59,67,000	—24,000	3,62,000	...
1,38,25,52,000	—4,13,54,000	84,80,25,000	30,71,78,000	15,35,89,000	**1,30,87,92,000**	—11,51,14,000	—7,37,60,000	13,55,79,000	1,17,32,13,000

C.—Statement of Receipts and Disbursements of the

	Accounts, 1921-22.			Revised Estimate, 1922-23.			Budget Estimate, 1923-24.		
	India.	*England.	Total.	India.	*England.	Total.	India.	*England.	Total.
	R	R	R	R	R	R	R	R	R
Revenue (from Statement A)	1,09,14,24,581	4,01,44,664	1,13,15,69,245	1,18,60,80,000	1,59,58,000	1,20,20,38,000	1,28,28,57,000	1,88,76,000	1,30,17,33,000
Exchange added to Revenue	2,05,81,072	...	2,05,81,072	79,79,000	...	79,79,000	94,38,000	...	94,38,000
Total	1,11,20,05,653	4,01,44,664	1,15,21,50,317	1,19,40,59,000	1,59,58,000	1,21,00,17,000	1,29,22,95,000	1,88,76,000	1,31,11,71,000
Excess of Revenue over Expenditure charged to Revenue			**—27,65,01,700**			**—17,25,35,000**			**23,79,000**
Railway Capital not charged to Revenue—									
Capital contributed by Railway Companies and Indian States towards outlay on State Railways	18,88,170	45,00,000	63,88,170	8,93,000	17,85,000	26,78,000	1,50,42,000	3,00,84,000	4,51,26,000
Public Debt Incurred—									
Permanent Debt—									
Sterling Debt—									
New Sterling Loan	...	...		...	...		...	15,14,08,000	
7 per cent. Stock	...	7,50,00,000		...	...		...	...	
5½ per cent. Stock	...	6,86,71,413		...	14,55,10,000		...	...	
4½ per cent. Stock	...	...		...	17,00,00,000		...	...	
Rupee Debt—									
New Rupee Loan	...	...		...			25,00,00,000	...	
6 per cent. Bonds, 1932	...	...		19,48,92,000			...	...	
6 per cent. Bonds, 1931	11,30,75,300	...		...	...		...	...	
6 per cent. Bonds, 1930	—7,08,500	...		...	...		...	...	
6 per cent. Bonds, 1926	37,89,74,400	...		...			...	...	
6 per cent Bonds, 1927	...	...		27,37,83,000	...		...	...	
5½ per cent. War Bonds, 1928	14,100	...		...	...		...	...	
5½ per cent. War Bonds, 1920	—200	...		...	...		...	...	
5½ per cent. War Bonds, 1921	—2,000	...		...	...		...	...	
3½ per cent. Loans	...	...		6,86,000	...		3,00,000	...	
Total	49,13,53,100	14,36,71,413	63,50,24,513	46,93,61,000	31,55,10,000	78,48,71,000	26,03,00,000	15,14,08,000	40,17,08,000
Net			**42,26,76,108**			**66,45,36,000**			**33,15,56,000**
Floating Debt—									
Treasury Bills—								...	
Issued to Public	76,35,45,000	...		46,00,00,000	...		40,50,00,000		
Issued to Paper Currency Reserve	62,95,00,000	...		49,65,00,000	...		49,65,00,000	...	
Other Floating Loans	15,00,00,000	...		...	...		...		
Total	1,54,30,45,000	...	1,54,30,45,000	95,65,00,000	...	95,65,00,000	90,15,00,000	...	90,15,00,000
Net			**6,92,60,000**			**0**			**0**
Unfunded Debt—									
Post Office Cash Certificates	47,98,217	...		78,00,000	...		1,28,00,000	...	
Deposits of Service Funds	16,16,231	17,898		14,52,000	20,000		14,43,000	20,000	
Savings Bank Deposits	27,20,30,946	3,80,177		24,53,39,000	1,40,000		26,50,90,000	1,20,000	
Total	27,84,45,394	3,98,075	27,88,43,469	25,45,91,000	1,60,000	25,47,51,000	27,93,33,000	1,40,000	27,94,73,000
Net			**4,62,46,893**			**3,14,11,000**			**5,01,85,000**
Deposits and Advances—									
Deposits of Local Funds—									
District Funds	11,44,58,945	...		11,88,48,000	...		11,76,08,000	...	
Other Funds	8,29,37,619	...		8,41,47,000	...		8,17,31,000	..	
Deposits of Branch Lines Companies	7,36,040	...		15,31,000	...		23,69,000	...	
Sinking Funds for Central Loans	1,54,00,000	...		1,54,00,000	...		1,54,00,000	...	
Other Sinking Fund Deposits	3,00,544	...		3,13,000	...		3,25,000	...	
Gold Standard Reserve	...	97,98,37,535		...	1,41,24,21,000		...	1,42,06,73,000	
Paper Currency Reserve	3,40,64,437	37,10,31,640		2,17,90,000	24,19,80,000		..	5,84,50,000	
Departmental and Judicial Deposits	79,79,05,846	..		78,21,25,000	...		77,10,50,000	...	
Advances	13,25,76,566	2,46,23,447		19,15,95,000	1,50,09,000		17,12,65,000	53,38,000	
Suspense Accounts	6,32,84,086	26,73,678		2,60,22,000	...		83,00,000	...	
Exchange on Remittance Accounts	11,36,82,631	...		16,67,96,000	...		9,29,28,000	...	
Miscellaneous	5,26,75,082	94,73,033		10,21,24,000	82,47,000		1,77,30,000	55,55,000	
Total	1,40,80,21,796	1,37,86,33,333	2,78,66,61,129	1,51,06,91,000	1,67,76,57,000	3,18,83,48,000	1,27,87,06,000	1,49,00,16,000	2,76,87,22,000
Net			**18,71,20,015**			**17,98,76,000**			**12,31,17,000**
Carried over	4,83,47,59,113	1,56,73,53,485		4,38,60,95,000	2,01,10,70,000		4,01,71,76,000	1,69,05,24,000	

* Sterling converted into Rupees at £1 = Rs. 10.

Central Government, in India and in England.

	Accounts, 1921-22.			Revised Estimate, 1922-23.			Budget Estimate, 1923-24.		
	India.	* England.	Total.	India.	* England.	Total.	India.	* England.	Total.
	R	R	R	R	R	R	R	R	R
Expenditure (from Statement B)	96,63,52,319	30,52,82,123	1,27,16,34,442	89,98,33,000	31,84,79,000	1,21,83,12,000	84,80,25,000	30,71,78,000	1,15,52,03,000
Exchange charged as expenditure	15,70,17,575	...	15,70,17,575	16,42,40,000	...	16,42,40,000	15,35,89,000	...	15,35,89,000
Total	1,12,33,69,894	30,52,82,123	1,42,86,52,017	1,06,40,73,000	31,84,79,000	1,38,25,52,000	1,00,16,14,000	30,71,78,000	1,30,87,92,000
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—									
Construction of State Railways	9,39,92,306	13,56,46,629	22,96,38,935	10,91,25,000	10,44,80,000	21,36,05,000	19,63,95,000	19,00,00,000	(a) 38,63,95,000
Payments for discharge of debentures	2,85,276	5,00,000	7,85,276	20,00,000	40,00,000	60,00,000	1,50,42,000	3,00,84,000	4,51,26,000
Construction of Irrigation Works	1,18,054	126	1,18,180	1,99,000	1,000	2,00,000	22,000	...	(b) 22,000
Capital outlay on Indian Postal and Telegraph Department	81,61,617	...	81,61,617	1,10,36,000	...	1,10,36,000	96,22,000	...	(b) 96,22,000
Initial expenditure on new Capital at Delhi	1,19,29,639	15,97,779	1,35,27,418	1,72,93,000	18,57,000	1,91,50,000	1,88,42,000	8,58,000	(c) 1,97,00,000
Public Debt Discharged—									
Permanent Debt—									
Rupee Debt—									
5½ p. c. War Bonds, 1920	38,09,785	...		9,00,000	...		12,77,000	...	
Do. Do. 1921	15,35,92,150	...		40,00,000	...		32,15,000	...	
Do. Do. 1922	3,56,46,575	...		7,15,00,000	...		44,52,000	...	
Do. Do. 1923	...	...		8,00,000	...		1,44,59,000	...	
5½ p. c. War Bonds, 1925	400	...		...	...		..	...	
5 p. c. War Loan, 1929-47	64,86,125	...		54,40,000	..		1,02,35,000	...	
5 p. c. Loan, 1945-55	1,15,13,200	...		1,37,24,000	...		74,45,000	...	
4 p. c. Loans	12,00,000	...		2,31,67,000	...		2,87,19,000	..	
3½ p. c. Loans	9,958	...		4,000	...		...	...	
3 p. c. Loans	96,200	...		8,00,000	...		3,50,000	...	
Government Stock notes	12	...		...	...		...	...	
Total	21,23,54,405	...	21,23,54,405	12,03,35,000	...	12,03,35,000	7,01,52,000	...	7,01,52,000
Net			0			0			0
Floating Debt—									
Treasury Bills—									
Issued to Public	66,05,85,000	...		78,41,00,000	...		46,00,00,000	...	
Do. Paper Currency Reserve	66,32,00,000	...		57,89,00,000	...		49,65,00,000	...	
Other Floating Loans	15,00,00,000	...		...	...		...		
Total	1,47,37,85,000	...	1,47,37,85,000	1,36,30,00,000	...	1,36,30,00,000	95,65,00,000	...	95,65,00,000
Net			0			40,65,00,000			5,50,00,000
Unfunded Debt—									
Post Office Cash Certificates	91,41,448	...		2,00,00,000	...		1,75,00,000	...	
Special Loans	12,206	...		12,000	...		12,000	...	
Deposits of Service Funds	15,06,242	6,727		15,03,000	1,00,000		15,36,000	3,00,000	
Savings Bank Deposits	22,19,18,329	11,624		20,16,45,000	80,000		20,98,90,000	50,000	
Total	23,25,78,225	18,351	23,25,96,576	22,31,60,000	1,80,000	22,33,40,000	22,89,38,000	3,50,000	22,92,88,000
Net			0			0			0
Deposits and Advances—									
Deposits of Local Funds—									
District Funds	11,85,26,408	...		12,14,67,000	...		12,15,73,000	...	
Other Funds	8,55,34,553	...		8,42,27,000	...		8,23,71,000	...	
Deposits of Branch Line Companies	7,17,179	...		16,17,000	...		23,86,000	...	
Sinking Funds for Central Loans	1,36,75,346	...		1,70,22,000	...		1,54,02,000	...	
Gold Standard Reserve	10	97,08,68,609		...	1,41 24,21,000		...	1,42,06,73,000	
Paper Currency Reserve	3,35,63,836	37,10,31,640		8,16,00,000	24,19,80,000		...	5,84,50,000	
Departmental and Judicial Deposits	79,05,13,616	...		78,25,60,000	...		77.25 77,000	...	
Advances	15,03,37,702	2,40,47,448		19.26,98,000	1,57,75,000		15,93,73,000	63,57,000	
Suspense Accounts	3,02,46,896	...		5,02,63,000	...		15,37,000	...	
Exchange on Remittance Accounts	...	...		...	...		...	...	
Miscellaneous	3,15,935	1,01,61,933		...	68,42,000		...	49,06,000	
Total	1,22,34,31,481	1,37,61,09,630	2,59,95,41,111	1,33,14,54,000	1,67,70,18,000	3,00,84,72,000	1,15,52,19,000	1,49,03,86,000	2,64,56,05,000
Net			0			0			0
Carried over	4,38,00,05,897	1,81,91,54,638		4,24,13,75,000	2,10,60,15,000		3,65,23,46,000	2,01,88,56,000	

(a) Of this amount, R2,02,000 is non-voted and the balance of R38,61,93,000 is voted.
(b) The whole of this amount is voted.
(c) Of this amount, R3,76,000 is non-voted and the balance of R1,93,24,000 is voted.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1921-22.			Revised Estimate, 1922-23.			Budget Estimate, 1923-24.		
	India.	*England.	Total.	India.	*England.	Total.	India.	*England.	Total.
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Brought forward .	4,83,47,59,113	1,56,73,53,485		4,38,60,95,000	2,01,10,70,000		4,01,71,76,000	1,69,05,24,000	
Loans and Advances by the Central Government . . .	32,12,613	...	32,12,613	30,87,000	...	30,87,000	28,21,000	...	28,21,000
Net .			0			18,99,000			6,67,000
Loans between Central and Provincial Governments . .	77,18,222	...	77,18,222	1,13,05,000	...	1,13,05,000	80,37,000	...	80,37,000
Net .			0			0			
Remittances—									
Inland Money Orders .	84,67,76,638	...		82,85,00,000	...		84,00,00,000	...	
Other Local Remittances .	...	...		5,28,55,000	...		4,78,27,000	...	
Other Departmental Accounts . . .	5,004	...		...	...		...	...	
Net Receipts by Civil Treasuries from—									
Railways . . .	5,03,74,190	...		7,44,60,000	...		2,95,74,000	...	
Net Receipts from Civil Treasuries by—									
Posts and Telegraphs .	5,54,90,744	...		1,30,86,000	...		98,28,000	...	
Marine . . .	2,34,59,882	...		1,14,13,000	...		78,28,000	...	
Army and Military Works . . .	55,98,40,510	...		50,76,25,000	...		46,36,67,000	...	
Remittance Account between England and India—									
Transfers through Paper Currency Reserve . .	2,90,060	2,50,11,590		...	...		...	...	
Remittances from India for financing Home Treasury	...	...		...	...		...	27,00,00,000	
Iraq drawings . . .	290	5,46,29,217		...	3,03,00,000		...	2,75,00,000	
Recoverable War Expenditure	9,03,85,430	10,95,54,084		...	2,03,75,000		...	1,20,00,000	
Other transactions . .	25,20,53,178	14,69,98,039		4,54,97,000	6,88,61,000		3,12,21,000	2,49,16,000	
Total .	1,88,11,75,926	33,61,92,930	2,21,73,68,856	1,53,34,36,000	11,95,36,000	1,65,29,72,000	1,42,99,45,000	33,44,16,000	1,76,43,61,000
Net .			3,24,36,065			0			
Secretary of State's Bills drawn . .	...	...	...	...	3,27,00,000	3,27,00,000	...	...	...
Balances of Provincial Governments .	...	...	...	3,22,18,000	...	3,22,18,000	1,08,74,000	...	1,08,74,000
Net			0			1,02,29,000			
Total Receipts . .	6,72,68,65,84	1,90,35,46,415 (a)		5,96,61,41,000	2,16,33,06,000 (b)		5,46,88,53,000	2,02,49,40,000 (b)	
Opening Balance . .	13,83,56,901	7,20,98,319		25,66,13,170	8,99,53,817		21,33,56,170	8,04,01,817	
GRAND TOTAL .	6,86,52,22,775	1,97,56,44,734		6,22,27,54,170	2,25,32,59,817		5,68,22,09,170	2,10,53,41,817	

*Sterling converted into Rupees at £1 = Rs. 10.

(a) Of this amount, ₹48,828 represents the funds of the Gold Standard Reserve.

(b) Of this amount, ₹17,753 represents the funds of the Gold Standard Reserve.

Delhi,
Finance Department,
March 1, 1923.

M. F. Gauntlett,
Auditor General.

Central Government, in India and in England—*continued.*

	Accounts, 1921-22.			Revised Estimate, 1922-23.			Budget Estimate, 1923-24.		
	India.	* England.	Total.	India.	* England.	Total.	India.	* England.	Total.
	R	R	R	R	R	R	R	R	R
Brought forward .	4,38,00,05,897	1,81,91,54,638		4,24,16,75,000	2,10,60,15,000		3,65,23,46,000	2,01,88,56,000	
Loans and Advances by the Central Government .	33,59,848	...	33,59,848	11,88,000	...	11,88,000	21,54,000	...	21,54,000
Net .			1,47,235			0			0
Loans between Central and Provincial Governments	7,15,46,657	...	7,15,46,657	12,56,16,000	...	12,56,16,000	14,27,14,000	...	14,27,14,000
Net .			6,38,28,435			11,43,11,000			13,46,77,000
Remittances—									
Inland Money Orders .	85,28,83,993	...		82,80,00,000	...		84,00,00,000	...	
Other Local Remittances	64,20,043	...		5,16,05,000	...		4,69,33,000	...	
Other Departmental Accounts . . .	3,72,583	...		1,17,000	...		9,000	...	
Net Payments into Civil Treasuries by— Railways . . .	7,02,29,094	...		6,89,60,000	...		2,95,74,000	...	
Net Issues from Civil Treasuries to Posts and Telegraphs .	5,51,12,141	...		1,30,86,000	...		98,28,000	...	
Marine . .	2,37,36,845	...		1,14,13,000	...		78,28,000	...	
Army and Military Works . .	55,44,61,986	...		50,76,25,000	...		46,36,67,000	...	
Remittance Account between England and India— Transfers through Paper Currency Reserve . . .	2,53,01,650	...		...	...		...	...	
Remittances from India for financing Home Treasury . .	...	...		...	...		27,00,00,000	...	
Iraq drawings . .	5,51,78,670	...		3,03,00,000	...		2,75,00,000	...	
Recoverable War Expenditure . .	19,54,32,100	...		1,90,00,000	...		1,20,00,000	...	
Other transactions .	30,39,93,120	4,18,10,566		8,31,13,000	4,48,54,000		3,98,09,000	2,02,28,000	
Total .	2,14,31,22,225	4,18,10,566	2,18,49,32,791	1,61,32,19,000	4,48,54,000	1,65,80,73,000	1,74,71,48,000	2,02,28,000	1,76,73,76,000
Net .			0			51,01,000			30,15,000
Secretary of State's Bills paid . .	...	...	...	2,77,00,000	...	2,77,00,000	50,00,000	...	50,00,000
Balances of Provincial Governments	1,05,74,978	2,47,25,713	3,53,00,691	...	2,19,89,000	2,19,89,000	...	2,37,04,000	2,37,04,000
Net .			3,53,00,691			0			1,28,30,000
Total Disbursements .	6,60,86,09,605	1,88,56,90,917		6,00,93,98,000	2,17,28,58,000		5,54,93,62,000	2,06,27,88,000	
Closing Balance . .	25,66,13,170	(b) 8,99,53,817		21,33,56,170	(b) 8,04,01,817		13,28,47,170	(b) 4,25,53,817	
GRAND TOTAL . .	6,86,52,22,775	1,97,56,44,734		6,22,27,54,170	2,25,32,59,817		5,68,22,09,170	2,10,53,41,817	

A. C. McWATTERS,
Controller of the Currency.

E. M. COOK,
Secretary to the Government of India.

D.—Abstract Statement of the Receipts and Disbursements of the Central Government in India and in England.

REVENUE AND EXPENDITURE.		Accounts, 1921-22.				Revised Estimate, 1922-23.		Budget Estimate, 1923-24.	
		Revenue.	Expenditure.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
		R	R	R	R	R	R	R	R
Principal Heads of Revenue	Customs	34,40,98,381	65,87,632	33,75,10,749		41,59,04,000		44,32,22,000	
	Taxes on Income	18,74,13,424	22,50,972	18,51,62,452		18,23,43,000		18,40,85,000	
	Salt	6,34,37,848	1,56,49,096	4,77,88,752		5,57,10,000		10,19,66,000	
	Opium	3,07,24,798	1,80,04,867	1,27,19,931		2,10,00,000		2,03,81,000	
	Other heads	2,20,16,921	1,02,19,632	1,17,97,289		1,72,93,000		1,79,72,000	
	Total	64,76,91,372	5,27,12,199	59,49,79,173		69,22,50,000	...	76,76,26,000	...
Commercial Services	Railways	15,20,82,829	24,29,82,572	...	9,08,99,743	...	92,60,000	35,26,000	...
	Irrigation	5,94,141	14,48,454	...	8,54,313	...	1,99,000	...	3,57,000
	Posts and Telegraphs	56,52,778	1,66,00,497	...	1,09,47,719	24,16,000	...	1,46,90,000	...
Debt Services	Interest	1,11,00,700	15,99,70,014	...	14,88,69,314	...	14,13,79,000	...	14,70,61,000
Civil Administration	Civil Administration	77,29,211	9,40,80,047	...	8,63,50,836	...	9,44,85,000	...	9,84,27,000
Currency, Mint and Exchange	Currency	4,22,53,002	90,75,012	3,31,77,990	...	2,45,76,000	...	1,69,46,000	...
	Mint	14,89,091	16,73,299		1,84,208	...	1,94,000	...	13,65,000
	Exchange	...	...	...	...	...	50,00,000	...	...
Civil Works	Civil Works, etc.	11,33,782	1,54,20,200	...	1,42,86,418	...	1,38,76,000	...	1,76,94,000
Miscellaneous Civil Services	Famine Relief		2,91,738	...	2,91,738	...	57,000	...	5,000
	Superannuation	27,73,883	3,44,13,065	...	3,16,39,182	...	3,43,18,000	...	3,22,40,000
	Miscellaneous	6,82,05,859	1,02,54,199	5,79,51,660	...	...	42,85,000	...	59,68,000
	Other Heads	8,77,133	1,09,32,381	...	1,00,55,248	...	76,10,000	...	90,66,000
Lump allowance for further retrenchment in Civil expenditure (including Railways)		...	...	...	...	...	...	...	—4,00,00,000
Military Services	Army—Effective	7,24,22,501	70,85,71,984	...	63,61,49,483	...	52,52,68,000	...	48,41,01,000
	Army—Non-effective					...	9,02,44,000	...	8,76,66,000
	Marine	61,25,655	1,71,76,626	...	1,10,50,971	...	95,85,000	...	75,07,000
	Military works	21,45,676	5,30,49,730	...	5,09,04,054	...	4,77,81,000	...	4,07,26,000
Contributions and Assignments to Central Government by Provincial Governments		12,98,72,704	...	12,98,72,704	...	9,17,64,000	...	9,17,74,000	...
	Total	1,15,21,50,317	1,42,86,52,017	81,59,81,527	1,09,24,83,227	81,10,06,000	98,35,41,000	89,45,62,000	89,21,83,000
	Surplus			...		...		23,79,000	
	Deficit			27,65,01,700		17,25,35,000		...	
	Surplus			...	...	...	...	23,79,000	...
	Deficit			...	27,65,01,700	...	17,25,35,000	...	...
Capital Account	Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue:—								
	Payments for discharge of Debentures			...	7,85,276	...	60,00,000	...	4,51,26,000
	Capital contributed by Railway Companies and Indian States towards construction of State Railways			63,88,170	...	26,78,000	...	4,51,26,000	...
	Construction of Irrigation Works			...	1,18,180	...	2,00,000	...	22,000
	Construction of State Railways			...	22,96,38,935	...	21,36,05,000	...	38,63,95,000
	Capital outlay on Indian Postal and Telegraph Department			...	81,61,617	...	1,10,36,000	...	96,22,000
	Initial expenditure on new Capital at Delhi			...	1,35,27,418	...	1,91,50,000	...	1,97,00,000
Debt, Deposits, Advances and Remittances	Permanent Debt (net)			42,26,70,108	...	66,45,36,000	...	33,15,56,000	...
	Floating Debt (net)			6,92,60,000	...	...	40,65,00,000	...	5,50,00,000
	Unfunded Debt (net)			4,62,46,893	...	3,14,11,000	...	5,01,85,000	...
	Loans and Advances by Central Government (net)			...	1,47,235	18,99,000	...	6,67,000	...
	Loans between Central and Provincial Governments (net)			...	6,38,28,435	...	11,43,11,000	...	13,46,77,000
	Deposits and Advances (net)			18,71,20,018	...	17,98,76,000	...	12,31,17,000	...
	Remittances (net)			3,24,86,065	...	...	51,01,000	...	30,15,000
	Secretary of State's Bills drawn			...	...	3,27,00,000	...	...	...
	Secretary of State's Bills paid			...	...	...	2,77,00,000	...	50,00,000
	Balances of Provincial Governments (net)			...	3,53,00,691	1,02,29,000	...	...	1,28,30,000
Cash Balance	Opening Balance			21,04,55,220	...	34,65,66,987	...	29,37,57,987	...
	Closing Balance			...	34,65,66,987	...	29,37,57,987	...	17,54,00,987
	Total			97,45,76,474	97,45,76,474	1,26,98,95,987	1,26,98,95,987	84,67,87,987	84,67,87,987

M. F. GAUNTLETT,
Auditor General.

A. C. McWATTERS,
Controller of the Currency.

E. M. COOK,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT,
March 1, 1923.

THE INDIAN FINANCE BILL.

INTRODUCED IN THE LEGISLATIVE ASSEMBLY ON THE 1ST MARCH, 1923.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax; It is hereby enacted as follows:— VIII of 1894 VI of 1898.

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1923.

(*2*) It extends to the whole of British India, including the Sonthal Parganas and British Baluchistan.

(*3*) Sections 2, 4 and 6 shall remain in force only up to the 31st day of March, 1924.

Fixation of salt duty.

2. (*1*) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if they imposed such duty at the rate of two rupees and eight annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section. XII of 1882

(*2*) Section 2 of the Indian Finance Act, 1922, is hereby repealed. XII of 1922

Amendment of Act VIII of 1894.

3. (*1*) In Schedule II to the Indian Tariff Act, 1894, the amendments specified in the First Schedule to this Act shall be made. VIII of 1894.

(*2*) In Schedule III to the same Act, in item No. 3, for the entry in the fourth column the entry "5 per cent." shall be substituted.

Postal rates.

4. With effect from the first day of April, 1923, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act. VI of 1898.

Amendment of Act of 1923.

5. In sub-section (*7*) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1923" the figures "1924" shall be substituted.

Income-tax and super-tax.

6. (*1*) Income-tax for the year beginning on the first day of April, 1923, shall be charged at the rates specified in Part I of the Third Schedule.

(*2*) The rates of super-tax for the year beginning on the first day of April, 1923, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule. XI of 1922.

(*3*) For the purposes of the Third Schedule, "total income" means total income as defined in clause (*15*) of section 2 of the Indian Income-tax Act, 1922. XI of 1922.

It is hereby declared that it is expedient in the public interest that the provisions of clauses 2 and 3 of this Bill should have temporary effect under the provisions of the Provisional Collection of Taxes Act, 1918. XVI of 1918.

SCHEDULE I.

Amendments to be made in Schedule II to the Indian Tariff Act, 1894.

[*See section 3 (l).*]

1. In Item No. 4 after the words "all sorts" the words "except ochres and other pigment ores" shall be added.

2. For Item No. 14 the following shall be substituted, namely :—

"CINCHONA BARK and the alkaloids extracted therefrom including QUININE."

3. In Item No. 29 for the words "spirit, which has been rendered effectually and permanently unfit for human consumption" the words "Denatured Spirit" shall be substituted.

4. In Item No. 30 to the entry in the fourth column the words "or 15 per cent. *ad valorem*, whichever is higher" shall be added.

5. In Item No. 31 the following shall be added to each of the entries in the fourth column, namely :—

"or 15 per cent. *ad valorem*, whichever is higher."

6. In Item No. 34 in the second column the words "and saccharine produce of all sorts" shall be omitted.

7. After Item No. 34 the following heading and items shall be inserted, namely :—

	SACCHARINE.		
"34A.	SACCHARINE (except in tablets) . . .	Pound . . .	20 0
"34B.	SACCHARINE TABLETS	*Ad valorem* . .	25 per cent. or Rs. 20 per pound of saccharine contents, whichever is higher."

8. In item No. 43 for the entry in the fourth column, the following shall be substituted, namely :—"24-0 or 15 per cent. *ad valorem*, whichever is higher."

9. For item No. 51 the following items shall be substituted, namely :—

"51	MACHINERY, namely, such of the following articles as are not specified in any of the following numbers namely, Nos. 15, 16, 53, 54, 55, 87, 90-A., 96, 103, 111 and 127 :— (1) prime-movers, boilers, locomotive engines and tenders for the same, portable engines (including power-driven road rollers, fire engines and tractors), and other machines in which the prime-mover is not separable from the operative parts ; (2) machines and sets of machines to be worked by electric, steam, water, fire or other power, not being manual or animal labour, or which before being brought into use require to be fixed with reference to other moving parts ; (3) apparatus and appliances, not to be operated by manual or animal labour, which are designed for use in an industrial system as parts indispensable for its operation and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose ; (4) control gear, self-acting or otherwise, and transmission-gear designed for use with any machinery above specified, including belting of all materials and driving chains but not driving ropes ; (5) bare hard-drawn electrolytic copper wires and cables and other electrical wires and cables, insulated or not ; and poles, troughs, conduits and insulators designed as parts of a transmission system, and the fittings thereof. *Note.*—The term "industrial system" used in sub-clause (*3*) means an installation designed to be employed directly in the performance of any process or series of processes necessary for the manufacture, production or extraction of any commodity.
51A	COMPONENT PARTS OF MACHINERY, as defined in No. 51, namely, such parts only as are essential for the working of the machine or apparatus and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose : Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the machine to which they belong if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable."

10. Item No. 52 and the heading thereto shall be omitted.

11. Item No. 56 shall be omitted.

12. For Item No. 61 the following shall be substituted, namely :—

"61	IRON OR STEEL, anchors and cables.	
	„ „ „	beams, joists, pillars, girders and other structural shapes, whether fabricated or not, screw piles, bridge work and other descriptions of iron or steel not ordinarily used for other than building purposes; including ridging, guttering, flashing and continuous roofing; also including expanded metal and other descriptions of iron or steel designed for use in the reinforcing of concrete; but not including builders' hardware, that is to say, grates, stoves, ventilators, door and window fittings and the like; (*See* No. 90.)
	„ „ „	bolts and nuts, including hook-bolts and nuts for roofing.
	„ „ „	hoops and strips.
	„ „ „	nails, rivets and washers, all sorts.
	„ „ „	pipes and tubes and fittings therefor, that is to say, bends, boots, elbows, tees, sockets, flanges, plugs, valves, cocks and the like.
	„ „ „	rails, chairs, sleepers, bearing and fish-plates, spikes (commonly known as dog-spikes), switches and crossings, other than those described in No. 63, also lever-boxes, clips and tie-bars.
	„ „ „	sheets and plates, all sorts, whether fabricated or not, including discs and circles.
	„ „ „	wire, including fencing-wire, piano-wire and wire-rope, but excluding wire netting (*See* No. 97)."

13. In Item No. 63 the words "engines, tenders" shall be omitted, and for the second proviso, the following proviso shall be substituted, namely :—

"Provided also that nothing shall be deemed to be dutiable hereunder which is dutiable under No. 51 or No. 51A."

14. After Item No. 63 the following item shall be inserted, namely :—

'63A.	COMPONENT PARTS OF RAILWAY MATERIALS, as defined in No. 63, namely, such parts only as are essential for the working of railways and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose :	
	Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the railway material to which they belong, if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable."	

15. To Item No. 64 the following proviso shall be added, namely :—

"Provided that articles of machinery as defined in No. 51 or No. 51A shall, when separately imported, not be deemed to be included hereunder."

16. For Item No. 87 and the heading thereto the following shall be substituted, namely :—

CONVEYANCES.

"87	CONVEYANCES, including tramcars, motor-omnibuses, motor-lorries, motor-vans, passenger lifts, carriages, carts, jinrikshas, bath-chairs, perambulators, trucks, wheel barrows, bicycles, tricycles and all other sorts of conveyances not otherwise specified, and component parts and accessories thereof, except such parts and accessories of the motor vehicles above-mentioned as are also adapted for use as parts or accessories of motor cars, motor cycles or motor scooters (*See* No. 127)."	

17. After Item No. 90 the following item shall be inserted, namely :—

"90A	ELECTRICAL CONTROL GEAR AND TRANSMISSION GEAR, namely, switches, fuses and current-breaking devices of all sorts and descriptions, designed for use in circuits of less than ten *amperes* and at a pressure not exceeding 250 volts, and regulators for use with motors designed to consume less than 187 watts; bare or insulated copper wires and cables, any one core of which has a sectional area of less than one-eighthieth part of a square inch, and wires and cables of other metals of not more than equivalent conductivity; and line insulators, including also cleats, connectors, leading-in tubes and the like, of types and sizes such as are ordinarily used in connection with the transmission of power for other than industrial purposes, and the fittings thereof."	

18. To Item No. 96 the following shall be added, namely :—

"and any machines (except such as are designed to be used exclusively in industrial processes) which require for their operation less than one quarter of one brake-horse-power."

19. In Item No. 103 after the word "tiles" the words "firebricks not being component parts of any article included in No. 51 or No. 63" shall be inserted, and after the word "specified" the words "including bitumen and other insulating materials" shall be added.

20. In Item No. 127 the words "bicycles and tricycles" and the words "or of bicycles or tricycles" shall be omitted.

21. To Item No. 130 the words "and parts thereof" shall be added.

22. In Item No. 139 the word "and" shall be inserted after the word "cycles" and the words "bicycles and tricycles" shall be omitted.

SCHEDULE II.

Schedule to be inserted in the Indian Post Office Act, 1898.

(*See section 4.*)

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

(*See section 7.*)

Letters.

For a weight not exceeding two and a half tolas	One anna.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas	One anna.

Postcards.

Single	Half an anna.
Reply	One anna.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof	Half an anna.

Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas	Four annas."

SCHEDULE III.

(*See section 6.*)

PART I.

Rates of Income-tax.

	Rate.
A. In the case of every individual, every unregistered firm and every undivided Hindu family—	
(1) When the total income is less than Rs. 2,000	*Nil.*
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000	Five pies in the rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000	Six pies in the rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 20,000	Nine pies in the rupee.
(5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000	One anna in the rupee.
(6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000	One anna and three pies in the rupee.
(7) When the total income is Rs. 40,000 or upwards	One anna and six pies in the rupee.
B. In the case of every company, and every registered firm, whatever its total income	One anna and six pies in the rupee.

PART II.

Rates of Super-tax.

In respect of the excess over fifty thousand rupees of total income :—

	Rate.
(1) in the case of every company	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first twenty-five thousand rupees of the excess	*Nil.*
(*ii*) for every rupee of the next twenty-five thousand rupees of such excess	One anna in the rupee.

	Rate.
(*b*) in the case of every individual and every unregistered firm, for every rupee of the first fifty thousand rupees of such excess	One anna in the rupee.
(*c*) in the case of every individual, every unregistered firm and every Hindu undivided family—	
(*i*) for every rupee of the second fifty thousand rupees of such excess . .	One and a half annas in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess . . .	Two annas in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess . .	Two and a half annas in the rupee.
(*iv*) for every rupee of the next fifty thousand rupees of such excess . .	Three annas in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess . . .	Three and a half annas in the rupee.
(*vi*) for every rupee of the next fifty thousand rupees of such excess . .	Four annas in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess . . .	Four and a half annas in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess . .	Five annas in the rupee.
(*ix*) for every rupee of the next fifty thousand rupees of such excess . . .	Five and a half annas in the rupee.
(*x*) for every rupee of the remainder of the excess	Six annas in the rupee.

STATEMENT OF OBJECTS AND REASONS.

1. The object of this Bill is to provide the additional revenue referred to in my speech introducing the Budget for 1923-24 and to continue certain provisions of the Indian Finance Act, 1922 (XII of 1922) which would otherwise cease to have effect from the 1st April 1923.

2. Clause 2 of the Bill provides for the raising of the salt duty from Rs. 1-4 to Rs. 2-8 per maund.

3. Opportunity has been taken to make certain minor amendments in the Tariff Schedule necessitated by administrative reasons. These are embodied in Clause 3 (*1*). The substantive changes made are :—

(1) The adoption of a new definition of " Machinery and its component parts " and consequential changes in the entries relating to railway and building materials, ships, etc.

(2) The raising of the duty on saccharine.

(3) The withdrawal of the concessional rate in respect of tea chests and of lead therefor.

Clause 3 (*2*) reduces the export duty on raw hides and skins from 15 to 5 per cent. *ad valorem* and dispenses with the system of rebates.

4. Clauses 4 and 6 provide for the continuance of the rates of postage, income-tax and super-tax prescribed by the Indian Finance Act (XII of 1922), while clause 5 provides for the credit to revenue, for a further period of one year, *i.e.*, till the 31st March 1924, of interest on securities forming part of the Paper Currency Reserve.

5. The changes mentioned in paragraphs 2 and 3 are intended to come into effect from the 1st March 1923; the rest from April 1st. The Bill provides that the provisions other than those relating to the tariff shall remain in force till the 31st March 1924.

BASIL P. BLACKETT.

The 28th February, 1923.

Speech of the Finance Secretary in the Council of State on the 1st March 1923.

The HONOURABLE MR. E. M. COOK (Finance Secretary): Sir, I rise to present a Statement of the estimated annual expenditure and revenue of the Governor General in Council for 1923-24. I have been charged by the Honourable the Finance Member to express his regret that, owing to the rules of the Legislature, he is unable to be here to present this Budget personally. He is however looking forward to facing the music in this Chamber at about 11 o'clock on Wednesday next. At the conclusion of my remarks this morning, there will be distributed to Honourable Members, together with a number of other papers relating to the Budget, a copy of the speech which the Finance Member is now, I have reason to hope, making in another place. Honourable Members will find that that speech contains, besides the usual account of the financial results of the current year and an estimate of the expenditure and revenue for next year, an appreciation by the Finance Member of the general financial position of India as it appears to him—a new-comer indeed to this country, but one, if I may say so, whose reputation as a financier has preceded him. I do not propose therefore to duplicate in my remarks this morning what Sir Basil Blackett has said, or rather is saying or will be saying, in the speech which will be in Honourable Members' hands shortly. I will confine myself, as I did a year ago, to giving the Council a brief summary of the more important facts regarding the current year. I will then proceed to announce our estimates of revenue and expenditure for next year, explaining at the same time what action we propose to take as a result of the inquiries of the Indian Retrenchment Committee. And finally I will indicate how far, after taking such credit as we can for the Inchcape Committee's recommendations, it will be possible to balance the revenue and expenditure of the Central Government.

Now, as regards the current year, it will be within the recollection of Honourable Members that the Budget for 1922-23, as it emerged from the Legislature, left us with a deficit of 9 crores 16 lakhs. Honourable Members will also recollect that Sir Malcolm Hailey warned the Legislature that the provision entered in the Budget for expenditure in Waziristan should be regarded as only tentative and he hinted that possibly the provision of 2 crores 13 lakhs on that account would prove insufficient. Well, Sir, in view of the reply which I gave in the September Session to a question which was asked me, I think by my Honourable friend Mr. Sethna, regarding the progress of revenue and expenditure this year so far as they could then be foreseen, the Council, I think, will not be surprised to hear that the estimated deficit of 9 crores 16 lakhs is going to be exceeded. As now revised, the estimates point to a deficit of about 17½ crores, that is a net worseness of 8¼ crores. There will probably be a saving of 4 crores 14 lakhs in expenditure but revenue will be some 12 crores 48 lakhs less than the estimate.

When we framed our revenue estimates this time last year, we did not count on any hope of a marked or sudden revival in trade, although we certainly expected some improvement on the general trade conditions of the preceding year. On the whole, Sir, our anticipation has been justified. There was considerable stagnation during the earlier part of this summer but now I think, except perhaps in the cotton mill industry in Bombay, the general feeling in the business community is at present one of mild optimism. Considering the impoverishment of most of our former customers our exports have undoubtedly shown a very promising recovery. I will give the figures. So far as merchandise alone is concerned the balance of trade in favour of India during the first 10 months of this financial year has been 62 crores, which contrasts with an adverse balance of 29½ crores in the corresponding 10 months of the preceding year. As against this there has been a substantial net import of bullion, but after including the bullion figures there still remains a net balance of 20 crores in favour of India instead of an adverse balance of 33 crores in the first ten months of last year.

I will now make a few remarks about the figures under the more important heads. Under customs we budgeted for a total net revenue of 45½ crores, of which 9 crores was expected to accrue from the enhancement of duties imposed last March. We now expect a customs revenue which will be some 3 crores short of the figure which we budgeted for. Honourable Members know, I think, that the dominant factor in our customs revenue for the last year or two has been the import of sugar. In the previous year we got 6½ crores from sugar, although the duty was only 15 per cent.; in the current year on the increased duty of 25 per cent. we hoped that we might realise about 6¼ crores. Actually we now expect that the revenue from sugar will be less by a crore and a half than the budget figure. The excise

duty on cotton manufactures will also bring us in substantially less than we expected, and we shall probably be about 60 lakhs down under that head. As regards the other tariff heads, it is probable that there will be some deficiency in the revenue from liquors, matches, machinery, and cutlery, but any losses under those heads should be counter-balanced by increased revenue from the import duties on cotton piece goods, which are likely to give us nearly a crore more than our estimated revenue of 560 lakhs, and iron, steel and other metals, while the new excise duty on kerosene is likely to bring us in 89 lakhs as against 40 lakhs budgeted for. As regards the so-called " luxury " articles, which are assessed to duty at 30 per cent. the Council may be interested to know that, in spite of a very substantial fall in prices, we expect to get 273 lakhs as against 284 lakhs budgeted for; that has been due to the fact that the import of most of these articles has increased. Up to the present nearly twice as many motor cars have been imported as in the corresponding period of the previous years. On the whole, therefore, I think, Sir, that our estimates from customs, all things considered and having regard to the great difficulties of estimating the yield from increased taxes have not turned out so badly. But it is as regards Railways that the returns have been most disappointing. The increase in passenger fares was expected to add some 6 crores to the receipts. The traffic, however, both passenger and goods, especially goods has fallen off, and as against the estimated gross traffic receipts of 99½ crores, we do not expect to get more than 92 crores. What small improvement there has been over the receipts of the previous year has been due to the increased passenger fares. On the other hand, we expect a saving of over 2 crores on programme revenue expenditure, but an excess of about a crore in ordinary working expenses, so that, altogether, our net railway revenue is likely to be down by 5¾ crores; and I am sorry to say that, after taking into account interest charges, the final result for the general taxpayer will be that there will again be no profit from railways but a loss of about a crore. As regards Post and Telegraphs revenue, the effect of the new postal rates during the first few months of the year was to reduce correspondence. But since then there have been distinct signs of recovery, and it is clear that the public are now gradually getting used to the higher postal charges. For the present, however, I think we must anticipate a decrease of 106 lakhs in our anticipated receipts. There is a small saving in working expenses, and after debiting interest, the Department will probably prove to be running at a small profit of about 24 lakhs. As regards our income-tax collection, the Council will remember that we expected to make large collections of arrears, but after the beginning of the year it became evident, not only that the allowance that we should have to make for bad debts would be large, but also that our revenue was going to be seriously affected by the heavy refunds which have had to be made, chiefly in Calcutta, as a result of the adjustment system in force under the former Act. Fortunately, this complication will, under the new Act, not disturb our estimates again. I understand that in Calcutta in many cases Companies have actually received a cheque from Government instead of paying any tax at all; and the net receipts in Bengal are not expected to be more than 3½ crores. In other provinces the collections have been good, especially in Bombay, though I am afraid that the lower profits which the cotton mills are now making are going to affect our revenue from that city next year. Altogether we anticipate under Income-Tax a total deterioration of 3½ crores. As regards other heads, I think I need only say that we expect to get 89 lakhs more from Opium than we anticipated and probably a slight improvement of Rs. 7 lakhs or so under Salt.

As regards our expenditure, the only important variation that I need mention in our civil expenditure is the fact that there has been a substantial saving of about 186 lakhs in the budget provision for interest on debt. That is mainly due to the fact that a full half year's interest in respect of the greater part of our rupee and sterling borrowings this year will not fall due till after the end of the financial year.

I now come to the military expenditure. But before I give the figures, I must explain to the House a change of some importance that has been made in the method of exhibiting them. I do not think I need explain it at any great length, because the matter has already been discussed in this House a year ago, both in the general discussion on the Budget and also on a Resolution moved by my Honourable friend Mr. Kale. This change affects all the non-commercial heads, but it is specially marked in the case of military expenditure. I think most Honourable Members know that our practice in the last 2 years, in distributing the exchange adjustments, has been to show them against the individual heads of account in the case of commercial services, and that as regards other heads, we used to lump them together under the one head, " Exchange." Now, of course, that method would answer well enough if the difference between the statutory rate of 2 shillings and the actual rate had been less; it gives the figures a very misleading appearance when the difference between the

two rates has been as large as it has been for the past two years or so. We have now decided to distribute the exchange adjustments between the individual heads in all future accounts and estimates; and the figures of military expenditure that I shall give this morning have accordingly been arrived at after converting sterling expenditure into rupees at the rate of 1*s.* 4*d.* Instead, therefore, of speaking of the military budget for the current year as being 62 crores 18 lakhs, as we spoke of it this time last year, I shall speak of it as being 67¾ crores, which is the correct figure if you take the sterling expenditure at 1*s.* 4*d.*

Now, the military budget provided 65 crores and 10 lakhs for the established charges of the Army, 213 lakhs for Waziristan expenditure and 52 lakhs for demobilization charges, making, as I have said, a total of 67¾ crores. Waziristan expenditure in the current year is now estimated at 385 lakhs. The demobilization charges will probably amount to 208 lakhs owing to unexpected progress that has been made with the discharge of surplus officers. On the other hand, the established charges will now amount to only 60½ crores owing to a continued shortage of British troops. the fall in prices and various other causes. A very careful control has been maintained over these charges, and savings in budget grants have not been allowed to be re-appropriated for new measures involving a permanent liability of any magnitude. By those means, in spite of the excess expenditure of 172 lakhs in Waziristan and of the increased demobilization charges, we have been able to effect a saving of 46 lakhs in the total budget grant for military expenditure.

I now come to the Budget for next year. The question, of course, that must be uppermost in the minds of all Honourable Members is, what we are going to do about retrenchment. Here. Sir, we come at once up against a matter that has made the preparation of this Budget so exceedingly difficult. Since they assembled in November last, Lord Inchcape and his colleagues on the Retrenchment Committee, and their Secretary, a distinguished predecessor of mine, have worked at their task with a devotion to the public interests which it would be impertinent for me to dwell on. I only invite the attention of the Council to the fact that each of these six gentlemen has attained a position of considerable eminence in the business world, and that the sacrifices which they have made in leaving their large and varied commercial interests in order to undertake a task of this magnitude must have been very considerable. I think, Sir, that we in this Council can well feel proud that two Members of the Committee are our colleagues here. When the Committee's report is published, the public will understand what an exacting task theirs must have been. Government feel confident that they will have the Legislature and the country behind them in seeing to it that the labours of the Committee shall not have been in vain, and that every effort is made to go to the utmost length in carrying the Committee's recommendations into practical effect, at as early a date as possible, and to the maximum extent practicable.

But, Sir, the more immediate problem is the extent to which we can translate the Committee's recommendations into the budget for 1923-24. Lord Inchcape's Committee, recognizing the difficulties in which we have been placed owing to the necessity for presenting the budget on March 1st, have very kindly provided us with a number of instalments of their report. We received the first portion a little more than a fortnight ago, the second portion last Saturday night and the third portion yesterday. These three parts cover the greater portion and all the more important heads of our expenditure. We understand that the last portion will be received during the course of the next day or so, and we hope then to publish the report as a whole, in complete form, as soon as the necessary number of copies can be printed. I think Honourable Members will now understand what I meant when I spoke about our difficulties in framing the budget. To present a budget with no Inchcape in it at all would be unthinkable—it would be like trying to play Hamlet without the Prince. On the other hand, when we attempt to calculate, at such very short notice and without there having been time to make any careful or detailed examination of the report, the extent to which we can take credit in this present budget for the Committee's proposed savings, once we attempt to calculate that, Sir, we are at once met by certain very grave practical difficulties. In the first place, even if we blindly accepted the Committee's recommendations lock, stock and barrel, it is obvious to the Council that some time must elapse, and in certain cases indeed a considerable time, before the full effect of the retrenchments can be reached. Indeed, when one comes to read this report it is clear that the amount of what I may call the 'lag' must be considerable. A second and very important fact, which I would ask Honourable Members to bear in mind when they come to read the report in a few days time, is that the Committee were throughout working on the budget estimates for 1922-23. Now, Sir, the budget estimates for next year, which necessarily had to be prepared without any specific reference to the Inchcape Committee's recommendations, already

show a substantial reduction as compared with the budget for the current year. This is due to various causes; one of them is the general atmosphere of economy which, I am glad to say, now prevails; another cause is the fact that a good many of the savings are automatic, due to the fall in prices and so forth. Now, when one makes an allowance for these two important considerations, namely, the lag and the fact that the reductions proposed by the Committee are reductions on the 1922-23 scale of expenditure, then the extent to which credit can be taken in the budget for the Committee's recommendations, even supposing it were possible, which obviously it is not, for Government to accept the whole of the recommendations without any examination, becomes very much smaller than might at first sight appear.

I had to clear the ground in this way in order to enable the Council to follow me when I now inform it of Government's exact intentions. There is, however, just one more word of explanation I must give. I said that our budget estimates for next year as originally framed were prepared without specific reference to the Committee's recommendations. There are two exceptions to that; one is the military budget, which I will refer to later, and the second is the post and telegraph budget, in respect of which we had had some earlier information and therefore we were able to take into account some, though not all, of the Committee's proposed reductions.

I now come to the actual budget estimates. I will first take the civil expenditure. I have already indicated, Sir, that Government are not yet in a position to announce definitely which of the particular recommendations of the Committee will be adopted: nor has it been possible for us to frame an accurate forecast of the allowance which is to be made for what I have called the lag. Nevertheless the Government of India are of opinion that the situation is one which necessitates their taking some budgeting risks, and they have decided therefore to take the responsibility of saying that in the civil estimates they believe that a reduction of four crores can be effected during the 12 months commencing April 1st next, over and above the reduction for which credit has already been taken in the post and telegraph estimates, either in the ways proposed by the Committee or by some modification of them. Now, in the civil portion of our budget, excluding interest, the Committee have recommended reductions which, although we have still a few pages of their report to receive, we expect will amount to about eight and a half crores. The total civil expenditure in the 1922-23 budget is 103 crores and 9 lakhs. Now, the corresponding figure in the budget estimates for next year, as originally prepared last month, is 101 crores and 3 lakhs, that is, 2 crores and 6 lakhs less. The House will see therefore that our cut of 4 crores, together with this amount of 2 crores and 6 lakhs, makes a total of 6 crores and 6 lakhs; that is to say, out of a total reduction of 8½ crores proposed by the Inchcape Committee we propose in this budget to make allowance, on account of the lag or on account of any retrenchments which may be found impossible, for less than 2 crores. I think, Sir, that this allowance, or this margin as I may call it, is, having regard to all the circumstances which I have mentioned, a small one. The Government of India will leave no stone unturned to make actual reductions which will effect the further saving of 4 crores which I have mentioned in civil expenditure. But I must not conceal from the Council that it will tax all Government's ingenuity to give full effect to this 4 crores reduction within the year 1923-24.

As regards military expenditure risks of the same kind, and also of other kinds, are being taken. In spite of the fact that it will be necessary to provide 169 lakhs for expenditure in Waziristan next year, the Government of India are budgeting for a military expenditure which will be 5¾ crores less than the current scale. That is to say, they will be budgeting for 62 crores as against a current military expenditure of 67¾ crores. I am not in a position to-day to give precise details of the particular retrenchments in military expenditure which the Government hope to effect. I may say, however, that in the forefront of those reductions, and forming the pivot on which the other reductions depend, is a substantial reduction in the strength of British and also of Indian troops. These reductions are being discussed between the Government of India and His Majesty's Government. The exact form which they should take is necessarily a matter of some intricacy and complication, for it is obviously desirable to impair as little as possible the essential structure and organisation of the Army and so to retain, after the reductions have been made, the maximum degree of efficiency possible. The decision, as the House will understand, is also a very responsible one, and, the difficulties being what they are, there simply has not been time to arrive at a final decision. In any case, the full financial effect of these reductions, and of certain other proposals in regard to the military expenditure, could not for practical reasons be expected in the coming year. But if those reductions and others which have been agreed upon could have been fully and effectively

in operation from the 1st of April next, then the net military expenditure for 1923-24 would be 57¾ crores, that is a reduction of 10 crores on the current scale of expenditure.

As regards our expenditure estimates as a whole, I do not think I need take the Council in detail through the various heads. I think it is enough for me to say that, as compared with the budget estimate of expenditure for 1922-23 of Rs. 215 crores and 27 lakhs, inclusive of the working expenses of commercial departments, our total expenditure for 1923-24, taking the sterling expenditure at 1*s.* 4*d.*, is estimated to be 204 crores and 37 lakhs, that is, a reduction of 11 crores in spite of an increase of 1¾ crores on interest charges.

Similarly, as regards our estimates of revenue. I do not propose to trouble the House with many details. I will only say generally that we have assumed that trade conditions will continue very much as they are at present; we have not counted on any early boom or any sudden revival in trade. The utmost we have done is to allow for a small growth in revenue, such as may normally be expected from year to year. Under the various heads of our customs revenue, we have either repeated the figure which we anticipate for the current year, or we have provided for a small increase where an expansion seems probable. Altogether we are assuming a net customs revenue of roughly 45 crores, or 2¾ crores more than in the current year. This estimate, I ought to mention, provides for a reduction to 5 per cent. all round, with no rebate, of the export duty on hides and skins. That reduction has been necessitated by the state of trade. In respect of income-tax we are not allowing for any increase over the current year's revenue of 19 crores. We shall not have the same heavy refunds to make, but, on the other hand. we expect that there will be a fall in revenue in Bombay. The Railway budget as originally framed, provided for a small profit of 35 lakhs. We are assuming, however, that as a result of the Retrenchment Committee's recommendations for a reduction in working expenses, there will be a profit of 3 crores. Similarly, in Posts and Telegraphs we hope by retrenching working expenses to realise a profit of 147 lakhs. The net result, after taking credits for retrenchment, military and civil, is that we are budgeting for an expenditure of 204 crores and 37 lakhs, against an expected revenue, on the basis of existing taxation, of 198 crores and 52 lakhs, leaving a deficit of 5 crores and 85 lakhs.

5 crores and 85 lakhs. What are we to do about that deficit? Are we going to leave it uncovered? I will answer that question in a moment. But meanwhile there is one thing we can do, which although it is not very much more than a change in book-keeping methods, nevertheless does relieve the revenue account. The Gold Standard Reserve consists approximately of £40 millions and is invested in British treasury bills and other short term securities. Government propose to utilise the iterest on these securities by crediting it to revenue instead of adding it to the Reserve itself, and this will relieve the revenue account to the extent of 159 lakhs. The Council, I think, will remember that last year the Legislature agreed to this being done in the case of the interest on the securities in the Paper Currency Reserve, and we feel that to a very large extent these two measures are analogous.

There will thus remain a deficit of 4¼ crores, and what are we to do about that? Some Honourable Members, who may fully share our anxiety to balance our budget, may suggest that we may safely leave that uncovered, in view of the fact that as time goes on the Inchcape Committee's recommendations will be brought more and more into effect and that, with the disappearance of the " lag," the budget will in a year or two be bound to balance itself. Sir, the Government feel that, however attractive such a course may appear to some, it would, to say the least, be a dangerous one. When one examines the Retrenchment Committee's proposals, it will be seen that, taking the military budget alone, over 2 crores of the reductions represent merely a reduction in stocks, in other words, that particular saving is non-recurring, for as soon as the stocks are worked down to the new minimum, the normal annual purchases will have to be resumed. The same thing is true of the Railway budget and the Posts and Telegraphs budget, and also of the budgets of one or two other Departments. Further, Government realise, and this I suggest is a consideration of the utmost importance, that this budget provides, to their great regret, for no reduction in the provincial contributions. Government are very much impressed by the undesirability of any further indefinite continuance of the present very unsatisfactory position as regards these provincial contributions. They have stated more than once that, as soon as they are in a position to do so they intend gradually to reduce and finally extinguish the provincial contributions, the aggregate amount of which is about 9¼ crores. Now, the essential preliminary to any such reduction must be the balancing of our own budget. If this present deficit of 4¼ crores is to remain uncovered, then I must warn the Council that any substantial relief to the provinces

will almost certainly have to be deferred for some years, if not postponed indefinitely. On the other hand, if we can cover the deficit this year, then any improvement in our financial position, due to the ringing into full effect in subsequent years of the retrenchments proposed, or to any possible future improvement in our revenues, can and will be devoted to giving to the provinces that relief of which most of them are so greatly in need.

There is only way in which we can bring that relief, if not actually within sight, at any rate within the range of practical politics, and that is by additional taxation. The Government of India dislike proposing additional taxation just as much as the Legislature will the voting of it. They feel, however, that the situation calls for it, not only because India's credit is very vitally involved, after the 100 crores of deficits that we have had in the last five years, in making a final and successful effort to balance our Budget, but also because without it the relief which the Provincial Governments and Legislatures have been anxiously awaiting must again fade into the indefinite future. The Government have carefully reviewed the whole sphere of taxation and have been obliged to reject all possible measures except one, and that is the increase of the salt duty to Rs. 2-8-0 a maund. In a full year this increase will probably give us 6 crores of rupees, although in the first year of its imposition it is not likely to bring in more than 4½ crores. If we can get this additional revenue, the deficit will be covered and we shall have a balanced budget, with a small surplus of about a quarter of a crore.

I have so far said nothing about ways and means estimates. During the last year or two public attention has naturally been concentrated mainly upon the ordinary revenue and expenditure, owing to the very large deficits that have occurred. But my Honourable and revered friend Sir Dinshaw Wacha has, I believe, on more than one occasion pointed out here the great importance of the ways and means figures, for it is in their ways and means operations that the actual financial policy of Government is manifested. At the same time, it is very difficult to budget for ways and means in the same way we budget for our ordinary revenue and expenditure, and it is never possible to adhere to any strict programme in regard to operations which consist in financing the country's various liabilities and in finding cash for our own and the provinces' day to day disbursements. Of course we may say beforehand that we hope to do so and so, but it is never possible to forecast with any accuracy the changing conditions of the money markets, both here and in London. I am not therefore going to trouble the House with many details about ways and means. Honourable Members will find, however, in the Finance Member's speech a summary of our ways and means operations during the current year and a forecast of our liabilities and assets next year. The only thing I wish to say about the current year is to draw attention to the fact that, owing to our large rupee and unprecedentedly large sterling borrowings, we have been able to make a substantial reduction in our floating debt. We have reduced the Treasury Bills held by the public by 32½ crores and we have cancelled Treasury Bills held in the Currency Reserve to the extent of 8¼ crores. We cannot hope to make such large reductions in the ensuing year, but it is Government's intention to do all they can to pursue the policy of funding the floating debt by converting it into securities of longer term.

These large sterling borrowings of ours in the current year have also facilitated the provision of funds in London to meet our sterling obligations. As the House knows, we took advantage of the strengthening of exchange which occurred at the New Year to remit funds to England by the sale of Council Bills. We did this somewhat in advance of the Secretary of State's actual requirements but at a time when we knew that it would be convenient to the market, and when we knew also that we could hope to get our money home at fairly favourable rates.

As regards next year, we are providing the usual 30 crores for railway capital expenditure *plus* the large lapse which has occurred in this year's grant, making a total of 38½ crores. We shall unfortunately have to allow certain Provincial Governments large overdrafts to meet their revenue deficits, and we also are making loans to several of them for capital expenditure, particularly a large amount to the Bombay Government for expenditure on their development scheme. Altogether, as the estimates stand at present, we expect to have to meet liabilities of about 67 crores, and we are assuming, of course purely for budget purposes, that we shall be able to secure a rupee loan of 25 crores and to make sterling borrowings of £15 millions. With these resources, added to certain other assets which are mentioned in the Finance Member's speech, we hope to meet the liabilities I have mentioned and in addition to effect a further reduction of 5 or 6 crores in our floating debt. On the estimates as they stand at present it will be necessary to remit the sum of about £27 millions sterling to London during the course of the next year. That can be done in two

ways. Firstly, we can purchase exchange, one method of which is by selling Council Bills in London, and secondly, we can draw on the Paper Currency Reserve or the Gold Standard Reserve in London, against a corresponding ear-marking out here; but it is obviously impossible for Government to commit themselves in advance as to the extent to which they will combine these two methods, it must depend on the actual money and exchange conditions of the moment.

That completes my summary of the Budget and I have only to thank the Council very cordially for the great patience with which they have listened to what I fear has been a rather bald recital of dry facts and figures.

Revised Schedule of demands for grants for expenditure of the Central Government for the year 1923-24 submitted for the vote of the Legislative Assembly.

Number of demand.	Service, Administration or Area to which demand relates.	Amount as in original schedule of demands.	Reduction now proposed.	Reduced amount submitted for the vote of the Assembly.
		R	R	R
	A.—Expenditure from Revenue			
1	Customs	66,86,000	69,000	66,17,000
2	Taxes on Income	58,93,000	...	58,93,000
3	Salt	1,14,68,000	84,000	1,13,84,000
4	Opium	1,87,53,000	1,00,000	1,86,53,000
5	Excise	1,000	...	1,000
6	Stamps	2,52,000	2,51,000	1,000
7	Forests	9,83,000	55,000	9,28,000
8	Railways (inclusive of Working Expenses and payment of Surplus Profits to Railway Companies).	67,47,79,000	3,00,00,000	64,47,79,000
9	Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works.	13,12,000	15,000	12,97,000
10	Indian Postal and Telegraph Department (including Working Expenses)	8,10,98,000	3,00,000	8,07,98,000
11	Indo-European Telegraph Department (including Working Expenses)	27,31,000	5,07,000	22,24,000
12	Interest on Debt and Sinking Funds	22,000	...	22,000
13	Interest on Miscellaneous Obligations	3,20,93,000	...	3,20,93,000
14	General Administration	81,58,000	7,58,000	74,00,000
15	Audit	69,72,000	...	69,72,000
16	Jails and Convict Settlements	2,000	...	2,000
17	Police	22,000	...	22,000
18	Ports and Pilotage	11,08,000	...	11,08,000
19	Survey of India	26,47,000	6,50,000	19,97,000
20	Meteorology	5,84,000	22,000	5,62,000
21	Geological Survey	1,72,000	...	1,72,000
22	Botanical Survey	18,35,000	53,000	17,82,000
23	Zoological Survey	1,30,000	20,000	1,10,000
24	Archæology	15,45,000	3,00,000	12,45,000
25	Mines	1,06,000	...	1,06,000
26	Other Scientific Departments	5,70,000	1,00,000	4,70,000
27	Education	2,80,000	31,000	2,49,000
28	Medical Services	8,06,000	76,000	7,30,000
29	Public Health	8,62,000	5,05,000	3,57,000
30	Agriculture	7,05,000	44,000	6,61,000
31	Civil Veterinary Services	6,46,000	35,000	6,11,000
32	Industries	44,000	...	44,000
33	Aviation	29,000	10,000	19,000
34	Commercial Intelligence	2,63,000	50,000	2,13,000
35	Census	39,000	13,000	26,000
36A.	Emigration—Internal	56,000	...	56,000
36B.	,, External	44,000	...	44,000
37	Joint-Stock Companies	1,33,000	...	1,33,000
38	Miscellaneous Departments	20,27,000	1,90,000	18,37,000
	Carried over	86,58,56,000	3,42,38,000	83,16,18,000

Revised Schedule of demands for grants for expenditure of the Central Government for the year 1923-24 submitted for the vote of the Legislative Assembly—*contd.*

Number of demand.	Service, Administration or Area to which demand relates.	Amount as in original schedule of demands.	Reduction now proposed.	Reduced amount submitted for the vote of the Assembly.
		₹	₹	₹
	Brought forward	86,58,56,000	3,42,38,000	83,16,18,000
	A.—Expenditure from Revenue—*contd.*			
39	Currency	49,68,000	...	49,68,000
40	Mint	16,33,000	34,000	15,99,000
41	Civil Works (under the control of the Public Works Department)	1,27,07,000	10,70,000	1,16,37,000
42	Superannuation Allowances and Pensions	39,44,000	1,00,000	38,44,000
43	Stationery and Printing	70,49,000	12,57,000	57,92,000
44	Miscellaneous	21,43,000	20,000	21,23,000
45	Adjustments with Provincial Governments	3,62,000	...	3,62,000
46	Refunds	7,17,000	...	7,17,000
47	North-West Frontier	1,05,40,000	3,40,000	1,02,00,000
48	Baluchistan	27,54,000	71,000	26,83,000
49	Delhi	30,58,000	2,25,000	28,33,000
50	Coorg	13,89,000	62,000	13,27,000
51	Ajmer and Merwara	15,17,000	50,000	14,67,000
52	Andamans and Nicobar Islands	41,59,000	...	41,59,000
53	Rajputana	4,73,000	34,000	4,39,000
54	Central India	6,59,000	27,000	6,32,000
55	Hyderabad	1,86,000	9,000	1,77,000
56	Expenditure in England—Secretary of State for India	15,82,000	1,00,000	14,82,000
57	Expenditure in England—High Commissioner for India	82,46,000	4,58,000	77,88,000
Non-voted	Ecclesiastical, Political, etc.	...	...	...
		93,39,42,000	3,80,95,000	89,58,47,000
	Lump allowance for further retrenchment in Civil expenditure (including Railways).	—4,00,00,000	—4,00,00,000	...
	TOTAL	89,39,42,000	—19,05,000	89,58,47,000
	B.—Expenditure charged to Capital.			
58	Railways	38,61,93,000	...	38,61,93,000
59	Irrigation	22,000	...	22,000
60	Telegraphs	96,22,000	1,92,000	94,30,000
61	New Capital at Delhi	1,93,24,000	...	1,93,24,000
	TOTAL	41,51,61,000	1,92,000	41,49,69,000
	C.—Disbursements of Loans and Advances.			
62	Interest-free advances	9,13,69,000	...	9,13,69,000
63	Loans and advances bearing interest	14,48,68,000	...	14,48,68,000
	TOTAL	23,62,37,000	...	23,62,37,000
	GRAND TOTAL	1,54,53,40,000	(a) – 17,13,000	1,54,70,53,000

(a) The reductions shown in this schedule relate to voted expenditure. In addition, a reduction of ₹26,32,000 has been made in non-voted expenditure.

Statement comparing the Budget Estimates of Civil Expenditure for 1923-24 as now revised with the Budget for 1922-23 and the reductions recommended therein by the Retrenchment Committee.

[In thousands of rupees.]

Heads of Expenditure.	Budget, 1922-23 as shown on pages 292-293, of the Retrenchment Committee's Report.	Reduction recommended by the Retrenchment Committee.	Budget, 1923-24, as in estimates presented on 1st March.	Further reduction on distribution of lump deduction.	Budget, 1923-24, as revised, (Column 4 – Column 5.)	Reduction made in revised budget for 1923-24 on budget for 1922-23, (column 2—column 6) exclusive of interest and sinking fund charges.
1	2	3	4	5	6	7
Customs	72,74	47	77,19	69	76,50	—3,76
Taxes on Income	47,01	...	63,79	...	63,79	—16,78
Salt	1,73,65	19,15	1,55,34	84	1,54,50	19,15
Opium	1,86,53	20,00	1,89,31	1,00	1,88,31	—1,78
Land Revenue	15,64	3,97	11,93	27	11,66	3,98
Excise	2,84	13	2,74	3	2,71	13
Stamps—						
Non-Judicial Judicial	22,73	22,00	3,10	5,87	—2,77	25,50
Forest	52,45	6,90	47,06	96	46,10	6,35
Registration	48	4	42	...	42	6
Total	5,74,07	72,66	5,50,88	9,66	5,41,22	32,85
Railways—						
Working expenses	67,99,00	4,59,00	66,51,50	3,00,00	63,51,50	4,47,50
Surplus profits paid to companies	60,00	...	98,77	...	98,77	—38,77
Subsidised companies	19,83	...	25,90	...	25,90	—6,07
Miscellaneous Railway Expenditure	29,77	...	12,50	...	12,50	17,27
	69,08,60	4,59,00	67,88,67	3,00,00	64,88,67	4,19,93
Interest on Debt	16,77,95	...	18,77,90	...	18,77,90	
Interest on Capital contributed by companies	3,36,10	...	3,22,30	...	3,22,30	
Annuities in Purchase of Railways	5,03,63	...	5,03,62	...	5,03,62	
Sinking Funds	45,81	...	49,10	...	49,10	
Total	94,72,09	4,59,00	95,41,59	3,00,00	92,41,59	
Irrigation—						
Working Expenses, Other Revenue Expenditure and Construction of Irrigation, etc., Works financed from ordinary Revenues	14,55	2,18	14,66	20	14,46	9
Interest on Debt	9,51	...	10,88	...	10,88	
Total	24,06	2,18	25,54	20	25,34	
POSTS AND TELEGRAPHS—						
Indian Postal and Telegraph Department.						
Working Expenses and Miscellaneous Expenditure	9,53,27	1,37,27	8,24,90	3,00	8,21,90	1,31,37
Interest on Debt	66,00	...	68,28	...	68,28	
Total	10,19,27	1,37,27	8,93,18	3,00	8,90,18	
Carried over	1,10,89,49	6,71,11	1,10,11,19	3,12,86	1,06,98,33	5,84,24

Statement comparing the Budget Estimates of Civil Expenditure for 1923-24 as now revised with the Budget for 1922-23 and the reductions recommended therein by the Retrenchment Committee—*contd.*

[In thousands of Rupees.]

Heads of Expenditure.	Budget, 1922-23, as shown on pages 292-293 of the Retrenchment Committee's Report.	Reduction recommended by the Retrenchment Committee.	Budget, 1923-24, as in estimates presented on 1st March.	Further reduction on distribution of lump deduction.	Budget, 1923-24, as revised (Column 4—Column 5).	Reduction made in revised budget for 1923-24 on budget for 1922-23, (column 2—column 6) exclusive of interest and sinking fund charges.
1	2	3	4	5	6	7
Brought forward	1,10,89,49	6,71,11	1,10,11,19	3,12,86	1,06,98,33	5,84,24
Indo-European Telegraph Department.						
Working Expenses	43,35	7,34	41,09	5,07	36,02	7,33
Capital outlay charged to Revenue	...	...	—3,19	...	—3,19	3,19
Total	43,35	7,34	37,90	5,07	32,83	10,52
Interest on ordinary Debt	11,86,02	...	11,79,52	...	11,79,52	
Interest on other obligations	3,23,63	...	3,21,61	...	3,21,61	
Sinking Funds	2,29,00	...	2,20,44	...	2,20,44	
Total	17,38,65	...	17,21,57	...	17,21,57	
General Administration— A.—Heads of Provinces, etc. B.—Legislative Bodies C.—Secretariat, etc., establishment D.—Commissioners E.—District Administration F.—Home Administration, etc	1,98,57	49,89	1,74,62	12,42	1,62,20	36,37
Audit	83,16	3,76	79,40	...	79,40	3,76
Administration of Justice	10,29	61	12,04	32	11,72	—1,43
Jails and Convict Settlements	44,35	4,30	40,39	30	40,09	4,26
Police	81,90	1,07	89,48	2,68	86,80	—4,90
Ports and Pilotage	26,32	2,11	25,67	55	25,12	1,20
Ecclesiastical	33,83	2,00	33,27	44	32,83	1,00
Political	2,93,14	45,70	3,31,36	16,75	3,14,61	—21,47
Scientific Departments	1,12,60	30,02	1,02,60	13,67	88,93	23,67
Education	32,96	5,19	34,86	2,70	32,16	80
Medical	32,84	6,40	30,62	2,82	27,80	5,04
Public Health	16,32	7,79	21,95	5,25	16,70	—38
Agriculture	23,36	2,86	21,66	85	20,81	2,55
Industries	1,59	1,29	76	...	76	83
Aviation	48	33	44	20	24	24
Miscellaneous Departments	26,71	11,18	46,73	3,91	42,92	—16,21
Total	10,18,42	1,75,00	10,46,35	63,26	9,83,09	35,33
Currency	80,82	...	94,89	...	94,89	—14,07
Mint	22,34	4,12	18,56	34	18,22	4,12
Exchange	20,60	...	...	...	...	20,60
Total	1,23,76	4,12	1,13,45	34	1,13,11	10,65
Carried over	1,40,13,67	8,57,57	1,39,30,46	3,81,53	1,35,48,93	6,40,74

Statement comparing the Budget Estimates of Civil Expenditure for 1923-24 as now revised with the Budget for 1922-23 and the reductions recommended therein by the Retrenchment Committee—*concld.*

[In thousands of Rupees.]

Heads of Expenditure.	Budget, 1922-23, as shown on pages 292-293 of the Retrenchment Committee's Report.	Reduction recommended by the Retrenchment Committee.	Budget, 1923-24, as in estimates presented on 1st March.	Further reduction on distribution of lump deduction.	Budget, 1923-24, as revised, (column 4—column 5.)	Reduction made in revised budget for 1923-24 on budget for 1922-23 (column 2—column 6) exclusive of interest and sinking fund charges.
1	2	3	4	5	6	7
Brought forward .	1,40,13,67	8,57,57	1,39,30,46	3,81,53	1,35,48,93	6,40,74
Civil Works	1,61,87	15,30	1,87,63	11,00	1,76,63	—14,76
Famine Relief	27	27	5	...	5	22
Territorial and Political Pensions .	31,42	1,08	29,86	...	29,86	1,56
Superannuation Allowances and Pensions .	3,54,27	6,30	3,47,62	1,00	3,46,62	7,65
Stationery and Printing	75,56	10,37	72,57	12,57	60,00	15,56
Miscellaneous	69,18	14,03	71,03	1,17	69,86	—68
Total .	5,30,70	32,05	5,21,13	14,74	5,06,39	24,31
Miscellaneous adjustments between the Central and Povincial Governments .	63,29	...	3,62	...	3,62	59,67
GRAND TOTAL .	1,47,69,53	9,04,92	1,46,42,84	4,07,27	1,42,35,57	7,09,96

Explanatory note on further reductions proposed.

Customs.—The reduction of Rs. 69,000 is on account of contemplated savings in overtime charge.

Salt.—A reduction of Rs. 84,000 under manufacturing charges is made to reduce budget to Committee's figure.

Opium.—The reduction taken into account in the report of the Committee was arrived at before the amounts required for purchase of opium were finally settled. A subsequent further provision of Rs. 20 lakhs has had to be made for purchase of Malwa opium. It is proposed to reduce Rs. 1,00,000 by economies in establishment and miscellaneous charges.

Land Revenue.—A reduction of Rs. 27,000 is proposed in the estimates for Coorg.

Stamps.—The reduction of Rs. 5,87,000 is arrived at by allowing for recovery of all overhead charges of the Department and for larger credits on account of issues of surplus stocks in store.

Forest.—The reduction of Rs. 96,000 is effected by not filling up two appointments and by reduction in miscellaneous expenditure at the Research Institute.

Railways.—The reduction of Rs. 3 crores in working expenses follows the recommendations of the Retrenchment Committee, allowing for 'lag' of about half a crore.

Irrigation.—The reduction of Rs. 20,000 in working expenses is on account of the proposed abolition of one administrative division in the North-West Frontier Province.

Posts and Telegraphs.—Excluding Interest on Debt the budget of the Department was about Rs. 9 lakhs above that recommended by the Retrenchment Committee. A further provisional reduction of Rs. 3 lakhs has been made in the provision for expansion of establishment.

Indo-European Telegraph Department.—The reduction of Rs. 5 lakhs takes into account the full retrenchment recommended.

General Administration.—The further reduction of Rs. 12,42,000 is made up as follows:—

	Rs.
India Office	2,25,000
High Commissioner	1,50,000
Foreign and Political Department	95,000
Home Department and attached offices	1,62,000
Legislative Department	88,000
Army Department	22,000
Lump reduction for reorganisation of Secretariat Departments	5,00,000
TOTAL	12,42,000

Administration of Justice.—A reduction of Rs. 20,000 in the provision for establishment in the North-West Frontier Province and of Rs. 12,000 by abolition of Small Causes Court in Ajmer.

Jails and Convict Settlements.—A reduction of roughly 20 per cent. in the provision for rations and clothing of prisoners in the jails of the minor Administrations owing to fall in prices.

Police.—Reductions in the strength and cost of the police forces in the minor Administrations are proposed as follows:—

	Rs.
North-West Frontier Province	1,25,000
Delhi	60,000
Coorg	10,000
Ajmer	15,000
Rajputana	34,000
Central India	24,000
TOTAL	2,68,000

It may be noted that the provision for 1922-23 shown in the statement takes into account deductions of Rs. 9,61,000 provisionally made under this head to meet the cuts made by the Assembly on the total estimates for the minor Administrations. The bulk of these reductions were, however, subsequently distributed under other heads and consequently the actual expenditure on police was much higher than Rs. 81·90 lakhs.

Ports and Pilotage.—A reduction of Rs. 55,000 is proposed in the provision for allowances to Pilots.

Ecclesiastical.—The estimate for 1923-24 is Rs. 56,000 lower than that for 1922-23 and it is proposed to reduce a further Rs. 44,000 in order to make up Rs. 1 lakh which is half the reduction proposed by the Committee and allows for the necessary 'lag'.

Political.—Reductions are proposed as follows :—

	Rs.	
North-West Frontier Province	1,27,000	in cost of irregular forces and entertainment charges.
Baluchistan	11,35,000	in provision for additional levies and miscellaneous charges.
Persian Gulf	1,00,000	on cost of 'Lawrence' and 'Nearchus.'
Rajputana	26,000	
Central India	27,000	
Gwalior	23,000	
Kashmir	11,000	
Bombay excluding Aden	86,000	
Burma	1,10,000	Charges on North-East Frontier.
Miscellaneous	30,000	
TOTAL	16,75,000	

The apparent large increase in expenditure in 1923-24 is due to the inclusion under this head of nearly 60 lakhs for expenditure on military police in Burma and Assam formerly shown under the head 'Adjustments'.

Scientific Departments.—Reductions proposed as follows :—

	Rs.
Survey of India	6,50,000
Meteorology	22,000
Geological Survey	20,000
Botanical Survey	53,000
Zoological Survey	20,000
Archæology	3,00,000
Expenditure in England, etc.	3,02,000
TOTAL	13,67,000

Education.—Reductions are proposed as follows :—

	Rs.
Chiefs' Colleges	31,000
Grants for colleges and secondary education.	
North-West Frontier Province	1,00,000
Baluchistan	15,000
Delhi	75,000
Coorg	20,000
Ajmer	20,000
Hyderabad	9,000
TOTAL	2,70,000

Medical.—The proposed reductions are :—

	Rs.
Headquarters charges and Research	1,00,000
Expenditure on X-Rays stores in England	1,27,000
Reductions in minor Administrations	55,000
TOTAL	2,82,000

Public Health.—The reductions proposed are :—

	Rs.
Grants to Research Associations	5,00,000
,, Central Health Board	5,000
Reduction of post of Sanitary Commissioner	20,000
TOTAL	5,25,000

Agriculture—

	Rs.
Miscellaneous reductions in cost of Pusa and Muktesar Institutes	66,000
Savings in North-West Frontier and Baluchistan	19,000
TOTAL	85,000

Aviation—

	Rs.
Reductions in provision for Chief Inspector and Miscellaneous Charges	20,000

Miscellaneous Departments.—The reductions are as follows :—

	Rs.
Commercial Intelligence	50,000
Census expenditure	13,000
Board of Examiners	25,000
Indian Stores Department	1,4 ,000
Indian Trade Commissioner in London	60,000
Trade Commissioner in East Africa	39,000
Stores, etc., in England	45,000
Trade registration in North-West Frontier Province and Baluchistan	8,000
TOTAL	3,81,000

The larger provision for 1923-24 is due to charges in England on account of the British Empire Exhibition (Rs. 15 lakhs).

Currency.—The increase in expenditure in 1923-24 is mainly due to larger payments on account of currency notes in England.

Civil Works.—Further reductions of Rs. 5 lakhs are proposed in the allotment for major works and Rs. 3½ lakhs on allotment for repairs bringing the latter down to the figure mentioned in Committee's Report. As a result an automatic reduction of about Rs. 1,70,000 occurs in payment to local Governments for work done for the Central Government. Reductions have already been effected to meet Committee's Report in Rajputana and Central India establishments and a further reduction of Rs. 20,000 is proposed for Coorg.

Stationery and Printing.—Considerable further savings are proposed in the cost of Government presses and in the indent for stationery stores in England.

Miscellaneous.—Reductions are proposed as follows :—

	Rs.
Revision of incidence of certain payments to local funds	20,000
Reserve at dispo-al of Chief Commissioner, North-West Frontier Province, etc.	32,000
Reductions in payments to Delhi Notified Area Committee, etc.	65,000
TOTAL	1,17,000

Declaration by the Governor-General in Council under section 67-A (7) of the Government of India Act regarding certain demands refused by the Legislative Assembly.

In pursuance of section 67 A(7) of the Government of India Act the Governor General in Council is pleased to declare that the following demands which have been refused by the Legislative Assembly are essential to the discharge of his responsibilities, namely :—

Number of demand.	Service to which demand relates.	Amount of demand refused by the Legislative Assembly.
		Rs.
8	Railways—Working Expenses	1,14,00,000
44	Miscellaneous—Public Services Commission . . .	3,00,000

E. M. COOK,

Secretary to the Government of India.

The 20th March 1923.

Statement of deficit for 1923-24 as it stood after the voting of demands by the Legislative Assembly.

The net revenue of the Central Government (*i.e.*, after deduction of the working expenses of Commercial Departments) and the expenditure chargeable to revenue stood as follows in the estimates placed before the Legislature on the 1st March :—

	Rs.
Net revenue	1,26,61,71,000
Expenditure	1,30,87,92,000
Deficit .	4,26,21,000

2. In distributing the lump reduction of 4 crores made in the original estimates for giving effect to the recommendations of the Retrenchment Committee, the Government of India found it possible to make a reduction of Rs. 7,27,000 in excess of 4 crores. The following further reductions were made by the Legislative Assembly in the course of the voting of the demands :—

	Rs.
(1) Customs	4,00,000
(2) Railways	50,00,000
(3) Do.	1,14,00,000
(4) General Administration	5,10,000
(5) Stamps	1
(6) Miscellaneous : Public Services Commission .	3,00,000
	1,72,10,001

3. The Governor General in Council has decided to restore the reductions numbered (3) and (6), and having regard to the very large reductions already made in the estimates of expenditure, it is considered that an allowance of Rs. 9 lakhs should be made for supplementary grants in respect of reductions Nos. (1) and (4). The corrected estimates of revenue and expenditure thus stand at Rs. 1,30,16,79,000 and Rs. 1,33,85,62,999 respectively and the deficit at Rs. 3,68,83,999.

The 22nd March 1923.

THE INDIAN FINANCE BILL.

AS PASSED BY THE LEGISLATIVE ASSEMBLY ON THE 20TH MARCH 1923.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax; It is hereby enacted as follows :— VIII of 1894. VI of 1898.

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1923.

(*2*) It extends to the whole of British India, including the Sonthal Parganas and British Baluchistan.

(*3*) Sections 2, 4 and 6 shall remain in force only up to the 31st day of March, 1924.

Fixation of salt duty.

2. (*1*) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, any such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section. XII of 1882.

(*2*) Section 2 of the Indian Finance Act, 1922, is hereby repealed. XII of 1922.

(*3*) Notwithstanding anything contained in the Provisional Collection of Taxes Act, 1918, the duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, shall, for the period beginning on the first day of March, 1923, and ending on the day preceding the commencement of this Act, be deemed for all the purposes of the Indian Salt Act, 1882, to have been imposed by rule made under section 7 of that Act at the rate of two rupees and eight annas per maund of eighty-two and two-sevenths pounds avoirdupois. XVI of 1918. XII of 1882.

Amendment of Act VIII of 1894.

3. (*1*) In Schedule II to the Indian Tariff Act, 1894, the amendments specified in the First Schedule to this Act shall be made. VIII of 1894.

(*2*) In Schedule III to the same Act, in item No. 3, for the entry in the fourth column the entry "5 per cent." shall be substituted.

Postal rates.

4. With effect from the first day of April, 1923, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act. VI of 1898.

Amendment of Act of 1923.

5. In sub-section (*7*) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1923" the figures "1924" shall be substituted.

Income-tax and super-tax.

6. (*1*) Income-tax for the year beginning on the first day of April 1923, shall be charged at the rates specified in Part I of the Third Schedule.

(*2*) The rates of super-tax for the year beginning on the first day of April, 1923, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule. XI of 1922.

(*3*) For the purposes of the Third Schedule, "total income" means total income as defined in clause (*15*) of section 2 of the Indian Income-tax Act, 1922. XI of 1922.

It is hereby declared that it is expedient in the public interest that the provisions of clauses 2 and 3 of this Bill should have temporary effect under the provisions of the Provisional Collection of Taxes Act, 1918. XVI of 1918.

[Schedules as on pages 36-39 of this volume.]

RECOMMENDATION BY THE GOVERNOR GENERAL TO THE COUNCIL OF STATE.

In pursuance of the provisions of sub-section (*1*) of section 67B of the Government of India Act, I, Rufus Daniel, Earl of Reading, do recommend to the Council of State that it

do pass the Bill to fix the duty on salt manufactured in, or imported by land into, certain part of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, in the form in which it was passed by the Legislative Assembly with the following amendments, namely :—

"(*1*) That in sub-clause (*1*) of clause 2, after the words "construed as if" the words "with effect from the first day of March, 1923," be inserted, and that for the words "one rupee and four annas" the words "two rupees and eight annas" be substituted.

(2) That at the beginning of sub-clause (*2*) of clause 2 the following words be inserted namely :—

"With effect from the first day of March, 1923."

(*3*) That sub-clause (*3*) of clause 2 be omitted.

(*4*) That to clause 3 a new sub-clause be added, namely :—

"(*3*) The amendments made in the Indian Tariff Act, 1894, by this section shall have effect from the first day of March, 1923."

READING,

Viceroy and Governor General.

March 20th, 1923.

THE INDIAN FINANCE BILL.

AS PASSED BY THE COUNCIL OF STATE ON THE 23RD MARCH 1923.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax; It is hereby enacted as follows :—

VIII of 1894. VI of 1898. X of 1923.

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1923.

(*2*) It extends to the whole of British India, including the Sonthal Parganas and British Baluchistan.

(*3*) Sections 2, 4 and 6 shall remain in force only up to the 31st day of March 1924.

XII of 1882.

Fixation of salt duty.

2. (*1*) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on sale manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if with effect from the first day of March, 1923, they imposed such duty at the rate of two rupees and eight annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

(*2*) With effect from the first day of March, 1923, section 2 of the Indian Finance Act, 1922, is hereby repealed.

XII of 1922.

VIII of 1894.

Amendment of Act VIII of 1894.

3. (*1*) In Schedule II to the Indian Tariff Act, 1894, the amendments specified in the First Schedule to this Act shall be made.

(*2*) In Schedule III to the same Act, in item No. 3, for the entry in the fourth column the entry "5 per cent." shall be substituted.

VIII of 1894.

(*3*) The amendments made in the Indian Tariff Act, 1894, by this section shall have effect from the first day of March, 1923.

Postal rates.

4. With effect from the first day of April, 1923, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.

VI of 1898.

Amendment of Act X of 1923.

5. In sub-section (*7*) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1923" the figures "1924" shall be substituted. X of 1923.

Income-tax and super-tax.

6. (*1*) Income-tax for the year beginning on the first day of April, 1923, shall be charged at the rates specified in Part I of the Third Schedule.

(*2*) The rates of super-tax for the year beginning on the first day of April, 1923, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule. XI of 1922.

(*3*) For the purposes of the Third Schedule, "total income" means total income as defined in clause (*15*) of section 2 of the Indian Income-tax Act, 1922. XI of 1922.

It is hereby declared that it is expedient in the public interest that the provisions of clauses 2 and 3 of this Bill should have temporary effect under the provisions of the Provisional Collection of Taxes Act, 1918. XVI of 1918.

[Schedules as on pages 36—39 of this volume.]

RECOMMENDATION BY THE GOVERNOR GENERAL TO THE LEGISLATIVE ASSEMBLY.

In pursuance of the provisions of sub-section (*1*) of section 67B of the Government of India Act, I, Rufus Daniel, Earl of Reading, do recommend to the Legislative Assembly that it do pass the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, in the form in which it was passed by the Council of State.

READING,

Viceroy and Governor General.

March 23rd, 1923.

CERTIFICATE BY THE PRESIDENT, LEGISLATIVE ASSEMBLY.

The Legislative Assembly has failed to pass the Bill in the form recommended.

A. F. WHYTE,

President of the Legislative Assembly.

27th March, 1923.

CERTIFICATE BY THE GOVERNOR GENERAL.

WHEREAS I, Rufus Daniel, Earl of Reading, in pursuance of the power conferred by sub-section (*1*) of section 67B of the Government of India Act did recommend to the Council of State that it should pass the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, in the form annexed hereto,

AND WHEREAS the Council of State did pass the said Bill in that form,

AND WHEREAS I did, in pursuance of the same power, recommend to the Legislative Assembly that it should pass the said Bill in the form in which it was passed by the Council of State,

AND WHEREAS the Legislative Assembly has failed to pass the said Bill in that form,

NOW THEREFORE I, Rufus Daniel, Earl of Reading, in exercise of the power conferred by the said sub-section, do hereby certify that the passage of the said Bill is essential for the interests of British India.

READING,

Viceroy and Governor General.

The 29th March, 1923.

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

Delhi, the 29th March 1923.

The following Act made by the Governor General under the provisions of section 67B of the Government of India Act is hereby published for general information :—

An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax; It is hereby enacted as follows :—

VIII of 1894. VI of 1898. X of 1923.

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1923.

(*2*) It extends to the whole of British India, including the Sonthal Parganas and British Baluchistan.

(*3*) Sections 2, 4 and 6 shall remain in force only up to the 31st day of March, 1924.

XII of 1882.

Fixation of salt duty.

2. (*1*) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the first day of March, 1923, they imposed such duty at the rate of two rupees and eight annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

XII of 1922.

(*2*) With effect from the first day of March, 1923, section 2 of the Indian Finance Act, 1922, is hereby repealed.

VIII of 1894.

Amendment of Act VIII of 1894.

3. (*1*) In Schedule II to the Indian Tariff Act, 1894, the amendments specified in the First Schedule to this Act shall be made.

(*2*) In Schedule III to the same Act, in item No. 3, for the entry in the fourth column the entry "5 per cent." shall be substituted.

VIII of 1894.

(*3*) The amendments made in the Indian Tariff Act, 1894, by this section shall have effect from the first day of March, 1923.

VI of 1898.

Postal rates.

4. With effect from the first day of April, 1923, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.

X of 1923.

Amendment of Act X of 1923.

5. In sub-section (*7*) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1923" the figures "1924" shall be substituted.

Income-tax and super-tax.

6. (*1*) Income-tax for the year beginning on the first day of April, 1923, shall be charged at the rates specified in Part I of the Third Schedule.

XI of 1922.

(*2*) The rates of super-tax for the year beginning on the first day of April, 1923, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule.

XI of 1922.

(*3*) For the purposes of the Third Schedule, "total income" means total income as defined in clause (*15*) of section 2 of the Indian Income-tax Act, 1922.

SCHEDULE I.

Amendments to be made in Schedule II to the Indian Tariff Act, 1894.

[*See section 3 (1).*]

1. In Item No. 4, after the words "all sorts" the words "except ochres and other pigment ores" shall be added.

2. For Item No. 14 the following shall be substituted, namely :—

"CINCHONA BARK and the alkaloids extracted therefrom including QUININE."

3. In Item No. 29, for the words "spirit, which has been rendered effectually and permanently unfit for human consumption" the words "Denatured Spirit" shall be substituted.

4. In Item No. 30, to the entry in the fourth column the words "or 15 per cent. *ad valorem*, whichever is higher" shall be added.

5. In Item No. 31, the following shall be added to each of the entries in the fourth column, namely :—

"or 15 per cent. *ad valorem*, whichever is higher."

6. In Item No. 34, in the second column, the words "and saccharine produce of all sorts" shall be omitted.

7. After Item No. 34 the following heading and items shall be inserted, namely :—

"	SACCHARINE.		
34A.	SACCHARINE (except in tablets) . . .	Pound . . .	20 0
34B.	SACCHARINE TABLETS	*Ad valorem* . .	25 per cent. or Rs. 20 per pound of saccharine contents, whichever is higher. "

8. In item No. 43, for the entry in the fourth column, the following shall be substituted namely :—"24-0 or 15 per cent. *ad valorem*, whichever is higher."

9. For item No. 51 the following items shall be substituted, namely :—

"51	MACHINERY, namely, such of the following articles as are not specified in any of the following numbers, namely, Nos. 15, 16, 53, 54, 55, 87, 90-A., 96, 103, 111 and 127 :— (1) prime-movers, boilers, locomotive engines and tenders for the same, portable engines (including power-driven road rollers, fire engines and tractors), and other machines in which the prime-mover is not separable from the operative parts; (2) machines and sets of machines to be worked by electric, steam, water, fire or other power, not being manual or animal labour, or which before being brought into use require to be fixed with reference to other moving parts; (3) apparatus and appliances, not to be operated by manual or animal labour, which are designed for use in an industrial system as parts indispensable for its operation and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose; (4) control gear, self-acting or otherwise, and transmission-gear designed for use with any machinery above specified, including belting of all materials and driving chains but not driving ropes; (5) bare hard-drawn electrolytic copper wires and cables and other electrical wires and cables, insulated or not; and poles, troughs, conduits and insulators designed as parts of a transmission system, and the fittings thereof. *Note.*—The term "industrial system" used in sub-clause (3) means an installation designed to be employed directly in the performance of any process or series of processes necessary for the manufacture, production or extraction of any commodity.
51A	COMPONENT PARTS OF MACHINERY, as defined in No. 51, namely, such parts only as are essential for the working of the machine or apparatus and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose: Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the machine to which they belong if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable."

10. Item No. 52 and the heading thereto shall be omitted.

11. Item No. 56 shall be omitted.

12. For Item No. 61 the following shall be substituted, namely :—

"61	IRON OR STEEL, anchors and cables.	
	„ „ „	beams, joists, pillars, girders and other structural shapes, whether fabricated or not, screw piles, bridge work and other descriptions of iron or steel not ordinarily used for other than building purposes; including ridging, guttering, flashing and continuous roofing ; also including expanded metal and other descriptions of iron or steel designed for use in the reinforcing of concrete; but not including builders' hardware, that is to say, grates, stoves, ventilators, door and window fittings and the like; (*See* No. 90.)
	„ „ „	bolts and nuts, including hook-bolts and nuts for roofing.
	„ „ „	hoops and strips.
	„ „ „	nails, rivets and washers, all sorts.
	„ „ „	pipes and tubes and fittings therefor, that is to say, bends, boots, elbows, tees, sockets, flanges, plugs, valves, cocks and the like.
	„ „ „	rails, chairs, sleepers, bearing and fish-plates, spikes (commonly known as dog-spikes), switches and crossings, other than those described in No. 63, also lever-boxes, clips and tie-bars.
	„ „ „	sheets and plates, all sorts, whether fabricated or not, including discs and circles.
	„ „ „	wire, including fencing-wire, piano-wire and wire-rope, but excluding wire netting (*See* No. 97)."

13. In Item No. 63, the words "engines, tenders" shall be omitted, and for the second proviso, the following proviso shall be substituted, namely :—

"Provided also that nothing shall be deemed to be dutiable hereunder which is dutiable under No. 51 or No. 51A."

14. After Item No. 63 the following item shall be inserted, namely :—

"63A.	COMPONENT PARTS OF RAILWAY MATERIALS, as defined in No. 63, namely, such parts only as are essential for the working of railways and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose :	
	Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the railway material to which they belong, if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable."	

15. To Item No. 64 the following proviso shall be added, namely :—

"Provided that articles of machinery as defined in No. 51 or No. 51A shall, when separately imported not be deemed to be included hereunder."

16. For Item No. 87 and the heading thereto the following shall be substituted, namely :—

CONVEYANCES.

"87	CONVEYANCES, including tramcars, motor-omnibuses, motor-lorries, motor-vans, passenger lifts, carriages, carts, jinrikshas, bath-chairs, perambulators, trucks, wheel barrows, bicycles, tricycles and all other sorts of conveyances not otherwise specified, and component parts and accessories thereof, except such parts and accessories of the motor vehicles above-mentioned as are also adapted for use as parts or accessories of motor cars, motor cycles or motor scooters (*See* No. 127)."	

17. After Item No. 90 the following item shall be inserted, namely :—

"90A	ELECTRICAL CONTROL GEAR AND TRANSMISSION GEAR, namely, switches, fuses and current-breaking devices of all sorts and descriptions, designed for use in circuits of less than ten *amperes* and at a pressure not exceeding 250 volts, and regulators for use with motors designed to consume less than 187 watts; bare or insulated copper wires and cables, any one core of which has a sectional area of less than one-eightieth part of a square inch, and wires and cables of other metals of not more than equivalent conductivity; and line insulators, including also cleats, connectors, leading-in tubes and the like, of types and sizes such as are ordinarily used in connection with the transmission of power for other than industrial purposes, and the fittings thereof."	

18. To Item No. 96 the following shall be added, namely :—

"and any machines (except such as are designed to be used exclusively in industrial processes) which require for their operation less than one quarter of one brake-horse-power."

19. In Item No. 103, after the word "tiles" the words "firebricks not being component parts of any article included in No. 51 or No. 63" shall be inserted, and after the word "specified" the words "including bitumen and other insulating materials" shall be added.

20. In Item No. 127, the words "bicycles and tricycles" and the words "or of bicycles or tricycles" shall be omitted.

21. To Item No. 130 the words "and parts thereof" shall be added.

22. In Item No. 139, the word "and" shall be inserted after the word "cycles" and the words "bicycles and tricycles" shall be omitted.

SCHEDULE II.

Schedule to be inserted in the Indian Post Office Act, 1898.

(*See section 4.*)

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

(*See section 7.*)

Letters.

For a weight not exceeding two and a half tolas	One anna.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas	One anna.

Postcards.

Single	Half an anna.
Reply	One anna.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof	Half an anna.

Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas	Four annas."

SCHEDULE III.

(*See section 6.*)

PART I.

Rates of Income-tax.

	Rate.
A. In the case of every individual, every unregistered firm and every undivided Hindu family—	
(1) When the total income is less than Rs. 2,000	*Nil.*
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000	Five pies in the rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000	Six pies in the rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 20,000	Nine pies in the rupee.
(5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000	One anna in the rupee.
(6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000	One anna and three pies in the rupee.
(7) When the total income is Rs. 40,000 or upwards	One anna and six pies in the rupee.
B. In the case of every company, and every registered firm, whatever its total income	One anna and six pies in the rupee.

PART II.

Rates of Super-tax.

In respect of the excess over fifty thousand rupees of total income :—	Rate.
(1) in the case of every company	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first twenty-five thousand rupees of the excess	*Nil.*
(*ii*) for every rupee of the next twenty-five thousand rupees of such excess	One anna in the rupee.

	Rate.
(*b*) in the case of every individual and every unregistered firm, for every rupee of the first fifty thousand rupees of such excess.	One anna in the rupee.
(*c*) in the case of every individual, every unregistered firm and every Hindu undivided family—	
(*i*) for every rupee of the second fifty thousand rupees of such excess . . .	One and a half annas in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess . . .	Two annas in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess .	Two and a half annas in the rupee.
(*iv*) for every rupee of the next fifty thousand rupees of such excess . .	Three annas in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess . .	Three and a half annas in the rupee.
(*vi*) for every rupee of the next fifty thousand rupees of such excess . .	Four annas in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess . . .	Four and a half annas in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess . .	Five annas in the rupee.
(*ix*) for every rupee of the next fifty thousand rupees of such excess . . .	Five and a half annas in the rupee.
(*x*) for every rupee of the remainder of the excess	Six annas in the rupee.

READING,
Viceroy and Governor General.

The 29th March 1923.

This Act has been made by me as Governor General under the provisions of section 67 B of the Government of India Act.

READING,
Viceroy and Governor General.

The 22th March 1923.

WHEREAS I, Rufus Daniel, Earl of Reading, am of opinion that a state of emergency exists which justifies a direction by me that the Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, being an Act made by me under the provisions of section 67B of the Government of India Act, shall come into operation forthwith,

NOW THEREFORE, in exercise of the power conferred by the proviso to sub-section (2) of that section, I do hereby direct accordingly.

READING,
Viceroy and Governor General.

The 29th March, 1923.

L. GRAHAM,
Offg. Secretary to the Government of India.

FINANCE DEPARTMENT.

NOTIFICATION.

ACCOUNTS AND FINANCE.
ESTIMATES AND ACCOUNTS.

Delhi, the 29th March 1923.

No. 562-F.—The following statement is published for general information :—

A statement by His Excellency the Governor General of the reasons which moved him to pass an order under section 67B of the Government of India Act for certification of the Indian Finance Bill as originally introduced in the Legislative Assembly, providing for an increase in the existing salt duty for one year, (*i.e.*) till the 31st March 1924, to a rate of Rs. 2-8 a maund.

E. M. COOK,
Secretary to the Government of India.

STATEMENT.

In the course of the debates on the Finance Bill I was deeply concerned to find that I and my Government were in disagreement with the majority of the Legislative Assembly in regard to the necessity of imposing an increase in the salt tax from Re. 1-4 to Rs. 2-8 per maund in order to balance the budget and produce financial equilibrium. The Bill as introduced with this provision was not passed by the Legislative Assembly in the form proposed by my Government. It was recommended by me, in the original form proposed, to the Council of State where it was passed by a majority of 18 votes. It was returned to the Legislative Assembly in the form recommended to the Council of State and rejected by a majority of 11 votes. I have a high respect for the convictions of the Legislative Assembly, but after careful consideration I find I cannot subscribe to them; and I have decided to exercise the special powers with which I have been invested by His Majesty's Government under the provisions of section 67B of the Government of India Act and to certify the Bill. I have arrived at this decision after much anxious thought and deliberation and I desire to make clear my reasons for taking this action.

Ever since I came to India and learnt the financial conditions I have been deeply impressed by the imperative necessity of placing India's finances on a sound basis and have kept this object continually in view. The first budget after my arrival was that of 1922-23. I then learnt that there had been cumulative deficits in the four preceding years totalling 90 crores. Heavy increases of taxation had been imposed by my predecessor's Government in 1921-22 in order to balance the budget. Taxation had again to be enhanced by my Government in 1922-23 and an increase was also made in the postal and railway charges. It will be remembered that at that time my Government also proposed to double the salt duty. The Legislative Assembly rejected this proposal; I accepted their decision and did not certify the necessary legislation for the purpose. Without dwelling in detail on my reasons it will suffice to mention (*a*) that my Government were deeply impressed with the need urged by the Legislature for retrenchment in both military and civil expenditure as a necessary step to precede any further taxation of this nature; (*b*) that food prices were then high and wheat in particular exceptionally high. When we came to frame the budget of the present year we found that notwithstanding the admirable work accomplished by Lord Inchcape and his Committee, and after making very far-reaching reductions in expenditure, we had again to face a deficit not so large indeed as last year, but nevertheless amounting to nearly four crores. We have striven our utmost to restore equilibrium by scrutiny of estimates of revenue and expenditure but have failed. Speaking with all the responsibility falling on me and my Government I am convinced that the position cannot be ameliorated by any addition however tempting in appearance to revenue or by any deduction from expenditure.

My Government held that in view of the past accumulated deficits it was essential in the interests of India to balance its budget. It had every reason to look for the support of the public and the Legislature in this view. Ever since my arrival in this country the Legislature, all sections of the press and public men in deputations, addresses, and speeches have insistently urged on me the vital necessity of securing financial equilibrium. In addition representations had persistently been made that the Government of India should balance its budget in order that it might begin to remit the contributions of 9¼ crores from the provincial Governments to the Government of India, a matter vitally important to the progress of those departments which have, under the Reforms Scheme, been committed to the charge of Ministers.

The rehabilitation of India's credit by presenting a balanced budget was not a measure which could be delayed. The need for large capital funds for material development obliges the Indian Government to enter the money market for considerable sums both in England and India; it would be in the highest degree unfortunate if it had been obliged to present a deficit for the sixth year in succession, and when the circumstances no longer permitted a hope that the deficit was purely temporary or was one which would yield to a determined effort at retrenchment. Reductions have been made in military charges which seemed incredible a year ago. The Government of India have stated that in making these reductions we are taking military risks, but we feel that we are justified by the financial stringency. His Majesty's Government have agreed in principle to the reductions. In the civil departments similar retrenchments of a far-reaching character have been accepted. If after making these efforts we still had to present a deficit, there was every possibility that the fact would react on our position as a borrower. Our hopes for a gradual reduction in our interest charges would be frustrated with results damaging not only to India's progress as a country, but to every industrial and trading interest in the land. The provinces have now their own commitments for capital expenditure on their material development. Their interests would suffer even more severely than those of the Central Government in proportion as their resources are more limited.

The most careful and anxious consideration was given to the possibility of finding an alternative to the salt tax as a means of raising the additional revenue necessary to attain equilibrium. No alternative presented itself to Government nor indeed, when the matter came to be discussed, to the Legislature. The reason is obvious. Those engaged in trade and industry have had laid upon them heavy increases in taxation during recent years. Postal and railway rates have been enhanced. The burden thus placed on commerce and industry will require time for adjustment, and further taxation in these directions would have failed to provide the sum required. I have myself given most careful consideration to the objections which apepar to exist against the enhancement of the salt tax whether

on economic grounds or those of sentiment. The tax is said to have historic unpopularity; but it existed before British rule. In the period from 1861-1877 it stood in Northern India at Rs. 3. In 1878 the rate was Rs. 2-12. From 1879-1881 and again from 1888-1902 it stood at Rs. 2-8-0 and since 1916 it has been at Re. 1-4-0. The objection is thus not to the tax itself but to its present enhancement. Every increase in the rate of a tax is unpopular; yet it must be remembered that it has been collected in the ordinary way at the enhanced rate throughout British India since the 1st of March of this year. The economic arguments against the tax appear to stand on shadowy foundations. Perhaps never in the recent history of India has there been a year in which such enhancement will press more lightly on the poor. Wages are still on a favourable basis; but prices of food-stuffs have markedly fallen and with the abundant promise of a rich harvest around us may be expected to decrease still further. Even a slight fall in the price of food-stuffs is of great importance to the poor family. The mill labourer is shown to spend approximately 56 per cent. of his income on food and of this amount salt represents only two-fifths of 1 per cent. The increase in salt tax must have an infinitesimal effect at a period such as this; prices of food grains fell by 20 per cent. between October 1921 and December 1922: between January 1922 and 1923 retail prices of wheat fell by 100 per cent. in important centres of Northern India.

These considerations were duly laid before the Legislative Assembly. That body had from the first admitted in principle the paramount necessity of balancing the budget. Many of the members had emphasised the need of regaining equilibrium as a necessary preliminary to fulfilling our obligations in regard to the gradual reduction of provincial contributions; and it is indeed obvious that no step in this direction can be taken so long as the finances of the Central Government are in deficit. The Assembly was unable to agree on the adoption of any alternative form of taxation which would secure the full amount required. Nevertheless, it rejected the proposal for an enhancement of the salt tax. It was in these circumstances that it became my duty to certify the measure. It must be clearly understood that my action merely imposes an enhancement of the tax until March 31st, 1924, when the matter must again come before the Legislature. It will then have had a year's experience of the operation of the tax, and it will be in a position to determine whether, in view of the condition of the country and having regard to our obligations to the provinces, it will vote for its retention.

I hold strict views regarding the exercise of my special powers; their use can only be justified, in the words of the Government of India Act, when it is essential for the interests of British India. This requirement has throughout been present to my mind. In the present case the interests of India only and no other interests are in question. A balanced budget is absolutely essential to her interests at the present time, and I believe that it is my duty to take the necessary action to secure this in the discharge of the responsibility placed upon me as Governor General by the Imperial Parliament.

It may be that the scheme of reforms introduced by the Government of India Act will be attacked on account of the action taken by me. This would be unfortunate and could only be due to misapprehension; for the constitution is embodied in the Act, and I do not believe that there is any substantial difference as regards the meaning of the important provisions under which I am acting. Unbalanced budgets appear to me to involve dangers to the future of India perhaps inherently greater than any constitutional or political issue, while their immediate effect is to stifle the development in the provision of all those beneficent activities, *e.g.*, Education, Public Health, Industry, which should be the first fruits of the reforms. I am convinced therefore that my action will prove of ultimate benefit in the development of the reforms and the advancement of India and for these I shall continue to labour in the discharge of the high responsibilities entrusted to me as Governor General.

READING,
Viceroy and Governor General.

The 29th March 1923.

No. 576-F.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

ACCOUNTS AND FINANCE.
ESTIMATES AND ACCOUNTS.

Delhi, the 29th March 1923.

RESOLUTION.

The statements relating to the Revised estimates for 1922-23 and the Budget estimates for 1923-24 which were presented to the Legislative Assembly and the Council of State on the 1st March 1923 have now been revised with reference to (1) the distribution among the heads of account concerned of the lump allowance made in the original statements for reductions recommended by the Retrenchment Committee, (2) the changes made by the Legislative Assembly when voting the demands for grants and (3) the restoration by the Governor General in Council of certain demands refused by the Assembly. Certain alterations have also been made in the Revised estimates in the light of more recent information. The revised statements are now published for general information.

E. M. COOK,

Secretary to the Government of India.

BUDGET

OF THE

GOVERNMENT OF INDIA,

MARCH 1923.

ACCOUNTS	1921-22
REVISED ESTIMATES	1922-23
BUDGET ESTIMATES	1923-24

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I.—General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1921-22.	Budget Estimate, 1922-23.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
		R	R	R	R
Revenue—					
Principal Heads of Revenue—					
Customs	A	34,40,98,381	45,41,84,000	42,30,03,000	45,09,41,000
Taxes on Income	„	18,74,13,424	22,11,39,000	17,89,31,000	19,04,64,000
Salt	„	6,34,37,848	6,86,03,000	7,17,84,000	11,75,00,000
Opium	„	3,07,24,798	3,09,30,000	3,98,68,000	3,93,12,000
Other Heads	„	2,20,16,921	2,35,85,000	2,37,37,000	2,44,97,000
TOTAL PRINCIPAL HEADS		64,76,91,372	79,84,41,000	73,73,23,000	82,27,14,000
Railways: Net Receipts	A	15,20,82,829	31,10,94,000	25,81,31,000	31,76,58,000
Irrigation: Net Receipts	„	5,94,141	7,22,000	10,26,000	10,83,000
Posts and Telegraphs: Net Receipts	„	56,52,778	1,75,28,000	90,58,000	2,08,32,000
Interest Receipts	„	1,11,00,700	84,31,000	1,04,11,000	2,50,96,000
Civil Administration	„	77,29,211	86,49,000	56,20,000	62,08,000
Currency, Mint and Exchange	„	4,37,42,093	3,22,31,000	3,53,10,000	2,69,26,000
Civil Works	„	11,33,782	10,92,000	11,25,000	10,69,000
Miscellaneous	„	7,18,66,875 (a)	66,11,000	67,62,000	48,34,000
Military Receipts	„	8,06,93,832	5,54,14,000	5,01,01,000	3,04,87,000
Contributions and Assignments to the Central Government by Provincial Governments	„	12,98,72,704	9,20,65,000	9,21,50,000	9,21,36,000
TOTAL REVENUE		1,15,21,50,317	1,33,22,78,000	1,20,70,17,000	1,34,90,43,000
DEFICIT		27,65,01,700	9,16,28,000	17,25,35,000	...
TOTAL		1,42,86,52,017	1,42,39,06,000	1,37,95,52,000	1,34,90,43,000

(a) Includes proceeds of freight tax which was replaced from 1922-23 by increased goods rates.

M. F. GAUNTLETT,
Auditor General.

DELHI,
FINANCE DEPARTMENT,
March 29, 1923.

Revenue of the Central Government, in India and in England.

	For details, *vide* Statement.	Accounts, 1921-22.	Budget Estimate, 1922-23.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
		R	R	R	R
Expenditure—					
Direct Demands on the Revenues	B	5,27,12,199	5,53,32,000	5,30,73,000	5,37,22,000
Railways: Interest and Miscellaneous Charges	„	24,29,82,572	25,98,53,000	26,23,91,000	27,91,32,000
Irrigation	„	14,48,454	11,19,000	12,25,000	14,20,000
Posts and Telegraphs	„	1,66,00,497	97,32,000	66,42,000	53,35,000
Debt Services	„	15,99,70,014	15,20,09,000	15,07,90,000	17,21,57,000
Civil Administration	„	9,40,80,047	9,74,06,000	10,01,05,000	9,78,29,000
Currency, Mint and Exchange	„	1,07,48,311	10,81,72,000 (b)	1,59,28,000	1,13,11,000
Civil Works	„	1,54,20,200	1,61,49,000	1,50,01,000	1,76,63,000
Miscellaneous	„	5,58,91,383	4,05,91,000	5,30,32,000	5,15,39,000
Military Services	„	77,87,98,340	67,72,14,000	72,09,79,000	65,04,87,000
Miscellaneous adjustments between the Central and Provincial Governments	„	...	63,29,000	3,86,000	3,62,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,42,86,52,017	1,42,39,06,000	1,37,95,52,000	1,34,09,57,000
SURPLUS		...	...	...	80,86,000
TOTAL		1,42,86,52,017	1,42,39,06,000	1,37,95,52,000	1,34,90,43,000

(b) Includes adjustment for exchange on net expenditure in England which has been distributed among the individual heads of account in the accounts for 1921-22, the Revised estimates for 1922-23 and the Budget estimates for 1923-24.

A. C. McWATTERS,
Controller of the Currency.

E. M. COOK,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts. Accounts, 1921-22.	Budget Estimate, 1922-23.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
		R	R	R	R
Surplus	C	...	...	...	80,86,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards construction of State Railways	„	63,85,170	3,86,74,000	26,78,000	4,51,26,000
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	„	42,26,70,108	41,21,93,000	66,45,36,000	33,15,56,000
Floating Debt (net incurred)	„	6,92,60,000	...	...	...
Unfunded Debt (net incurred)	„	4,62,46,893	3,07,15,000	3,14,11,000	5,01,85,000
Deposits and Advances (net)	„	18,71,20,018	24,76,67,000	18,64,85,000	11,42,69,000
Loans and Advances by Central Government (net Repayments)	„	...	9,74,000	18,99,000	6,67,000
Remittances (net)	„	3,24,36,065	1,41,53,000	1,64,000	...
Secretary of State's Bills drawn	„	...	...	2,57,00,000	...
Balances of Provincial Governments (net)	„	...	...	1,57,37,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES	...	75,77,33,084	70,57,02,000	92,59,32,000	49,66,77,000
TOTAL RECEIPTS	...	76,41,21,254	74,43,76,000	92,86,10,000	54,98,89,000
Opening Balance—India	...	13,53,56,901	22,48,09,901	25,66,13,170	23,89,58,170
England	...	7,20,98,319	7,00,48,319	8,99,53,817	7,41,81,817
TOTAL	...	97,45,76,474	1,03,92,34,220	1,27,51,76,987	86,30,28,987

M. F. GAUNTLETT,
Auditor General.

DELHI,
FINANCE DEPARTMENT,
March 29, 1923.

Central Government, in India and in England.

	For details, *vide* Statement.	Disbursements. Accounts, 1921-22.	Budget Estimate, 1922-23.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
		R	R	R	R
Deficit	C	27,65,01,700	9,16,28,000	17,25,35,000	...
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—					
Construction of State Railways	„	22,96,38,935	30,00,00,000	20,16,05,000	38,63,95,000
Capital outlay on Indian Postal and Telegraph Department	„	81,61,617	1,45,00,000	1,10,36,000	94,30,000
Construction of Irrigation Works	„	1,18,180	2,69,000	2,00,000	22,000
Initial expenditure on new Capital at Delhi	„	1,35,27,418	2,00,00,000	1,91,50,000	1,97,00,000
Payments for discharge of Debentures (net)	„	7,85,276	3,60,49,000	60,00,000	4,51,26,000
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	25,22,31,426	37,08,18,000	23,79,91,000	46,06,73,000
bt, Deposits and Advances—					
Permanent Debt (net discharged)	C	...	...	...	...
Floating Debt (net discharged)	„	...	29,94,46,000	41,15,00,000	5,50,00,000
Deposits and Advances (net)	„	...	...	...	...
Loans and Advances by Central Government (net Advances)	„	1,47,235	...	...	...
Loans between Central and Provincial Governments (net Advances).	„	6,38,28,435	5,50,00,000	11,43,11,000	13,46,77,000
Remittances (net)	„	...	...	...	80,15,000
Secretary of State's Bills paid	„	...	...	2,57,00,000	...
Balances of Provincial Governments (net)	„	3,53,00,691	4,35,44,000	...	1,20,12,000
TOTAL DEBT, DEPOSITS AND ADVACNES	...	9,92,76,361	39,79,90,000	55,15,11,000	20,97,04,000
TOTAL DISBURSEMENTS	...	62,80,09,487	86,04,36,000	96,20,37,000	67,03,77,000
Closing Balance—India	...	25,66,13,170	13,63,34,901	23,89,58,170	14,76,21,170
England	...	8,99,53,817	4,24,63,319	7,41,81,817	4,50,30,817
TOTAL	...	97,45,76,474	1,03,92,34,220	1,27,51,76,987	86,30,28,987

A. C. McWATTERS,
Controller of the Currency.

E. M. COOK,
Secretary to the Government of India.

A.—Statement of the Revenue of the

HEADS OF REVENUE.	Accounts, 1921-22.				Revised Estimate.		
	India.	England.	Exchange.	Total.	India.	England.	Exchange.
	R	R	R	R	R	R	R
Principal Heads of Revenue—							
I.—Customs	34,40,98,381	...	...	**34,40,98,381**	42,30,03,000	...	...
II.—Taxes on Income	18,74,13,424	...	...	**18,74,13,424**	17,89,31,000	...	...
III.—Salt	6,34,37,848	...	...	**6,34,37,848**	7,17,84,000	...	...
IV.—Opium	3,07,24,798	...	...	**3,07,24,798**	3,98,68,000	...	...
V.—Land Revenue	33,18,286	...	...	**33,18,286**	43,81,000	...	...
VI.—Excise	53,80,399	...	...	**53,80,399**	51,67,000	...	...
VII.—Stamps—							
A.—Non-judicial	24,61,081	...	...	**24,61,081**	9,15,000	...	...
B.—Judicial					15,67,000	...	...
VIII.—Forest	19,68,643	...	...	**19,68,643**	26,16,000	...	...
IX.—Registration	1,70,705	...	...	**1,70,705**	1,51,000	...	...
X.—Tributes from Indian States	87,17,807	...	...	**87,17,807**	89,40,000	...	...
Total	64,76,91,372	...	...	**64,76,91,372**	73,73,23,000	...	...
Railways—							
XI.—State Railways—							
Gross Receipts	81,61,93,079	4,85,127	2,49,171	**81,69,27,377**	92,00,00,000	4,84,000	2,42,000
Deduct—Working Expenses	*65,66,78,003*	...	...	***65,66,78,003***	*65,83,85,000*	...	...
Surplus Profits paid to Companies	*1,06,40,122*	...	...	***1,06,40,122***	*68,07,000*	...	...
Net Receipts	14,88,74,954	4,85,127	2,49,171	**14,96,09,252**	25,48,08,000	4,84,000	2,42,000
XII.—Subsidised Companies	3,32,795	14,25,370	7,15,412	**24,73,577**	7,73,000	12,16,000	6,08,000
Total	14,92,07,749	19,10,497	9,64,583	**15,20,82,829**	25,55,81,000	17,00,000	8,50,000
Irrigation, etc.—							
XIII.—Works for which Capital accounts are kept	5,92,895	...	...	**5,92,895**	10,70,000	—33,000	—17,000
XIV.—Works for which no Capital accounts are kept	1,246	...	...	**1,246**	6,000	...	...
Total	5,94,141	...	...	**5,94,141**	10,76,000	—33,000	—17,000
Posts and Telegraphs—							
XV.—Gross Receipts	9,33,54,859	14,48,633	6,99,509	**9,55,03,001**	10,01,69,000	14,77,000	7,39,000
Deduct—Working Expenses	*8,95,24,346*	*2,13,655*	*1,13,222*	***8,98,50,223***	*9,27,33,000*	*3,96,000*	*1,98,000*
Net Receipts	38,30,513	12,34,978	5,87,287	**56,52,778**	74,36,000	10,81,000	5,41,000
Interest Receipts—							
XVI.—Interest	73,11,669	25,02,143	12,86,888	**1,11,00,700**	80,00,000	16,07,000	8,04,000
Carried over	80,86,35,444	56,47,618	28,38,758	**81,71,21,820**	1,00,94,16,000	43,55,000	21,78,000

* Sterling converted into Rupees at £1 = Rs. 10.

Central Government, in India and in England.

1922-23.	Increase (+) Decrease (—) as compared with Budget Estimate, 1922-23.	Budget Estimate, 1923-24.				Increase (+) Decrease (—) as compared with Budget, 1922-23.	Increase (+) Decrease (—) as compared with Revised, 1922-23.
Total.		India.	* England.	Exchange.	Total.		
R	R	R	R	R	R	R	R
42,30,03,000	—3,11,81,000	45,09,41,000	...	...	45,09,41,000	—32,43,000	+2,79,38,000
17,89,31,000	—4,22,08,000	19,04,64,000	...	...	19,04,64,000	—3,06,75,000	+1,15,33,000
7,17,84,000	+31,81,000	11,75,00,000	...	...	11,75,00,000	+4,88,97,000	+4,57,16,000
3,98,68,000	+89,38,000	3,93,12,000	...	...	3,93,12,000	+83,82,000	—5,56,000
43,81,000	—12,000	43,94,000	...	...	43,94,000	+1,000	+13,000
51,67,000	—4,55,000	52,58,000	...	...	52,58,000	—3,64,000	+91,000
9,15,000	—93,000	9,66,000	...	...	9,66,000	—42,000	+51,000
15,67,000	+1,46,000	16,15,000	...	...	16,15,000	+1,94,000	+48,000
26,16,000	+4,48,000	34,57,000	...	...	34,57,000	+12,89,000	+8,41,000
1,51,000	—17,000	1,62,000	...	...	1,62,000	—6,000	+11,000
89,40,000	+1,35,000	86,45,000	...	...	86,45,000	—1,60,000	—2,95,000
73,73,23,000	—6,11,18,000	82,27,14,000	...	...	82,27,14,000	+2,42,73,000	+8,53,91,000
92,07,26,000	—7,50,00,000	95,50,00,000	4,83,000	2,41,000	95,57,24,000	—4,00,02,000	+3,49,98,000
65,83,85,000	+2,21,89,000	*63,01,50,000*	...	...	*63,01,50,000* (a)	+5,04,24,000	+2,82,35,000
68,07,000	—8,07,000	*98,77,000*	...	...	*98,77,000* (b)	—38,77,000	—30,70,000
25,55,34,000	—5,36,18,000	31,49,73,000	4,83,000	2,41,000	31,56,97,000	+65,45,000	+6,01,63,000
25,97,000	+6,55,000	4,76,000	9,90,000	4,95,000	19,61,000	+19,000	—6,36,000
25,81,31,000	—5,29,63,000	31,54,49,000	14,73,000	7,36,000	31,76,58,000	+65,64,000	+5,95,27,000
10,20,000 (c)	+3,02,000	11,46,000	—45,000	—22,000	10,79,000 (d)	+3,61,000	+59,000
6,000	+2,000	4,000	...	...	4,000	...	—2,000
10,26,000	+3,04,000	11,50,000	—45,000	—22,000	10,83,000	+3,61,000	+57,000
10,23,85,000	—91,69,000	10,52,03,000	13,20,000	6,60,000	10,71,83,000	—43,71,000	+47,98,000
9,33,27,000	+6,99,000	*8,58,50,000*	*3,34,000*	*1,67,000*	*8,63,51,000* (e)	+76,75,000	+69,76,000
90,58,000	—84,70,000	1,93,53,000	9,86,000	4,93,000	2,08,32,000	+33,04,000	+1,17,74,000
1,04,11,000	+19,80,000	81,74,000	1,12,81,000	56,41,000	2,50,96,000	+1,66,65,000	+1,46,85,000
1,01,59,49,000	—12,02,67,000	1,16,68,40,000	1,36,95,000	68,48,000	1,18,73,83,000	+5,11,67,000	+17,14,34,000

(a) Of this amount R34,07,000 is non-voted and the balance of R62,67,43,000 is voted.
(b) The whole of this amount is voted.
(c) Represents net receipts after deduction of R12,14,000 on account of working expenses.
(d) Represents net receipts after deduction of R11,14,000 on account of working expenses of which R1,49,000 is non-voted and the balance of R9,65,000 is voted.
(e) Of this amount, R18,36,000 is non-voted and the balance of R8,45,15,000 is voted.

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	Accounts, 1921-22.				Revised Estimate,		
	India.	* England.	Exchange.	Total.	India.	* England.	Exchange.
	R	R	R	R	R	R	R
Brought forward	80,86,35,444	56,47,618	28,38,758	**81,71,21,820**	1,00,94,16,000	43,55,000	21,78,000
Civil Administration—							
XVII.—Administration of Justice	3,33,367	...	...	**3,33,367**	3,59,000	...	...
XVIII.—Jails and Convict Settlements	8,10,099	...	...	**8,10,099**	8,24,000	...	...
XIX.—Police	15,16,019	...	...	**15,16,019**	1,63,000	...	...
XX.—Ports and Pilotage	21,94,410	...	...	**21,94,410**	21,78,000	...	...
XXI.—Education	1,22,888	...	...	**1,22,888**	1,27,000	...	...
XXII.—Medical	55,495	1,361	700	**57,556**	51,000	1,000	...
XXIII.—Public Health	2,49,205	...	...	**2,49,205**	1,25,000	...	...
XXIV.—Agriculture	5,10,958	...	...	**5,10,958**	4,79,000	...	...
XXV.—Industries	...	...	...	**...**	2,000	...	...
XXVI.—Miscellaneous Departments	19,34,709	...	...	**19,34,709**	13,11,000	...	...
Total	77,27,150	1,361	700	**77,29,211**	56,19,000	1,000	...
Currency, Mint and Exchange—							
XXVII.—Currency	3,60,90,284	40,69,643	20,93,075	**4,22,53,002**	3,14,27,000	14,57,000	7,29,000
XXVIII.—Mint	14,89,091	...	...	**14,89,091**	16,96,000	1,000	...
Total	3,75,79,375	40,69,643	20,93,075	**4,37,42,093**	3,31,23,000	14,58,000	7,29,000
Civil Works—							
XXX.—Civil works	11,33,782	...	...	**11,33,782**	11,25,000	...	...
Miscellaneous—							
XXXIII.—Receipts in aid of Superannuation	21,85,545	3,88,518	1,99,820	**27,73,883**	19,62,000	3,68,000	1,84,000
XXXIV.—Stationery and Printing	8,58,925	12,024	6,184	**8,77,133**	15,25,000	6,000	3,000
XXXV.—Miscellaneous	5,87,31,804	62,56,334	32,17,721	**6,82,05,859**	8,01,000	12,75,000	6,38,000
Total	6,17,76,274	66,56,876	34,23,725	**7,18,56,875**	42,88,000	16,49,000	8,25,000
Military Receipts—							
XXXVI.—Army—							
Effective	3,62,43,164	1,04,37,770	1,19,50,280	**7,24,22,501**	2,90,33,000	69,50,000	34,75,000
Non-effective	9,93,678	1,27,97,609			9,01,000	15,45,000	7,72,000
	3,72,36,842	2,32,35,379	1,19,50,280	**7,24,22,501**	2,99,34,000	84,95,000	42,47,000
XXXVII.—Marine	53,17,334	5,33,787	2,74,534	**61,25,655**	35,85,000	...	...
XXXVIII.—Military Works	21,45,676	...	...	**21,45,676**	38,40,000	...	...
Total	4,46,99,852	2,37,69,166	1,22,24,814	**8,06,93,832**	3,73,59,000	84,95,000	42,47,000
Contributions and Assignments to the Central Government by Provincial Governments—							
XXXIX.—Contributions and Assignments to the Central Government by Provincial Governments	12,97,80,933	...	...	**12,97,80,933**	9,20,00,000	...	...
XL.—Miscellaneous adjustments between the Central and Provincial Governments	91,771	...	...	**91,771**	1,50,000	...	...
Total	12,98,72,704	...	...	**12,98,72,704**	9,21,50,000	...	...
TOTAL REVENUE	1,09,14,24,581	4,01,44,664	2,05,81,072	**1,15,21,50,317**	1,18,30,80,000	1,59,58,000	79,79,000

* Sterling converted into Rupees at £1 = Rs. 10.

Government, in India and in England—*continued.*

1922-23.	Increase (+) Decrease (−) as compared with Budget Estimate, 1922-23.	Budget Estimate, 1923-24.				Increase (+) Decrease (−) as compared with Budget, 1922-23.	Increase (+) Decrease (−) as compared with Revised, 1922-23.
Total.		India.	* England.	Exchange.	Total.		
R	R	R	R	R	R	R	R
1,01,59,49,000	−12,02,67,000	1,16,68,40,000	1,36,95,000	68,48,000	**1,18,73,83,000**	+5,11,67,000	+17,14,34,000
3,59,000	+10,000	3,84,000	...	...	**3,84,000**	+35,000	+25,000
8,24,000	−2,87,000	9,09,000	...	...	**9,09,000**	−2,02,000	+85,000
1,63,000	−12,00,000	1,64,000	...	...	**1,64,000**	−11,99,000	+1,000
21,78,000	−2,43,000	24,51,000	...	...	**24,51,000**	+30,000	+2,73,000
1,27,000	+10,000	1,33,000	...	...	**1,33,000**	+16,000	+6,000
52,000	+2,000	1,07,000	...	...	**1,07,000**	+57,000	+55,000
1,25,000	−1,82,000	1,22,000	...	...	**1,22,000**	−1,85,000	−3,000
4,79,000	−2,01,000	5,01,000	...	...	**5,01,000**	−1,79,000	+22,000
2,000	−1,98,000	...	...	...	...	−2,00,000	−2,000
13,11,000	−7,40,000	14,37,000	...	...	**14,37,000**	−6,14,000	+1,26,000
56,20,000	−30,29,000	62,08,000	...	...	**62,08,000**	−24,41,000	+5,88,000
3,36,13,000	+33,00,000	2,59,40,000	3,30,000	1,65,000	**2,64,35,000**	−38,78,000	−71,78,000
16,97,000	−2,21,000	4,90,000	1,000	...	**4,91,000**	−14,27,000	−12,06,000
3,53,10,000	+30,79,000	2,64,30,000	3,31,000	1,65,000	**2,69,26,000**	−53,05,000	−83,84,000
11,25,000	+33,000	10,69,000	...	...	**10,69,000**	−23,000	−56,000
25,14,000	+2,13,000	19,95,000	3,51,000	1,76,000	**25,22,000**	+2,21,000	+8,000
15,34,000	−2,07,000	11,67,000	7,000	3,000	**11,77,000**	−5,64,000	−3,57,000
27,14,000	+1,45,000	3,64,000	5,14,000	2,57,000	**11,35,000**	−14,34,000	−15,79,000
67,62,000	+1,51,000	35,26,000	8,72,000	4,36,000	**48,34,000**	−17,77,000	−19,28,000
3,94,58,000	−99,58,000	1,97,64,000	27,83,000	13,91,000	**2,39,38,000**	−2,54,78,000	−1,55,20,000
32,18,000	+7,73,000	9,98,000	11,95,000	5,98,000	**27,91,000**	+3,46,000	−4,27,000
4,26,76,000	−91,85,000	2,07,62,000	39,78,000	19,89,000	**2,67,29,000**	−2,51,32,000	−1,59,47,000
35,85,000	+15,62,000	21,29,000	...	...	**21,29,000**	+1,06,000	−14,56,000
38,40,000	+23,10,000	16,29,000	...	...	**16,29,000**	+99,000	−22,11,000
5,01,01,000	−53,13,000	2,45,20,000	39,78,000	19,89,000	**3,04,87,000**	−2,49,27,000	−1,96,14,000
9,20,00,000	...	9,20,00,000	...	...	**9,20,00,000**	...	...
1,50,000	+85,000	1,36,000	...	...	**1,36,000**	+71,000	−14,000
9,21,50,000	+85,000	9,21,36,000	...	...	**9,21,36,000**	+71,000	−14,000
1,20,70,17,000	−12,52,61,000	1,32,07,29,000	1,88,76,000	94,38,000	**1,34,90,43,000**	+1,67,65,000	+14,20,26,000

B.—Statement of the Expenditure charged to the Revenue

HEADS OF EXPENDITURE.	Accounts, 1921-22.				Revised Estimate,		
	India.	England.	Exchange.	Total.	India.	England.	Exchange.
	R	R	R	R	R	R	R
Direct Demands on the Revenues—							
1.—Customs	64,49,533	91,196	46,903	**65,87,632**	69,54,000	97,000	48,000
2.—Taxes on income	22,26,823	15,947	8,202	**22,50,972**	45,17,000	47,000	24,000
3.—Salt	1,55,36,588	74,296	38,212	**1,56,49,096**	1,59,77,000	65,000	32,000
4.—Opium	1,79,25,207	52,605	27,055	**1,80,04,867**	1,87,91,000	51,000	26,000
5.—Land Revenue	14,48,007	12,887	6,628	**14,67,522**	13,31,000	31,000	15,000
6.—Excise	2,53,939	1,701	875	**2,56,515**	2,71,000	21,000	11,000
7.—Stamps—							
A.—Non-judicial	36,57,439	59,359	30,786	**37,48,084**	−28,81,000	20,00,000	10,00,000
B.—Judicial					1,44,000	...	...
8.—Forests	38,58,586	5,56,714	2,86,326	**47,01,626**	35,57,000	6,00,000	3,00,000
9.—Registration	45,885	...	...	**45,885**	44,000	...	...
Total	5,14,02,007	8,65,205	4,44,987	**5,27,12,199**	4,87,05,000	29,12,000	14,56,000
Railway Revenue Account—							
10.—State Railways:							
Interest on Debt	9,22,00,832	4,24,61,280	2,16,85,936	**15,63,48,048**	10,58,98,000	4,25,23,000	2,12,62,000
Interest on Capital contributed by Companies	3,49,068	2,17,07,853	1,14,60,434	**3,35,17,355**	4,05,000	2,18,66,000	1,09,33,000
Annuities in purchase of Railways	...	3,35,72,931	1,72,10,797	**5,07,83,728**	...	3,35,75,000	1,67,87,000
Sinking Funds	...	28,74,409	14 61,021	**43,35,430**	...	30,74,000	15,37,000
11.—Subsidised Companies	7,19,922	...	...	**7,19,922**	10,80,000	...	...
12.—Miscellaneous Railway Expenditure	−52,46,439	16,81,907	8,42,621	**−27,21,911**	10,10,000	16,27,000	8,14,000
Total	8,80,23,383	10,22,98,380	5,26,60,809	**24,29,82,572**	10,83,93,000	10,26,65,000	5,13,33,000
Irrigation, etc., Revenue Account—							
14.—Works for which Capital accounts are kept—							
Interest on Debt	12,18,481	...	...	**12,18,481**	10,76,000	...	...
15.—Other Revenue Expenditure	1,18,381	24,718	12,717	**1,55,816**	1,14,000	...	...
Total	13,36,862	24,718	12,717	**13,74,297**	11,90,000	...	...
Irrigation, etc., Capital Account (charged to Revenue)—							
16.—Construction of Irrigation, etc., Works—Financed from Ordinary Revenues.	74,157	...	...	**74,157**	35,000	...	...
Posts and Telegraphs Revenue Account—							
17.—Posts and Telegraphs—							
Interest on Debt	56,81,015	...	...	**56,81,015**	62,05,000	...	...
Miscellaneous Expenditure	...	...	...	...	−54,13,000	41,00,000	20,50,000
Total	56,81,015	...	...	**56,81,015**	7,92,000	41,00,000	20,50,000
Posts and Telegraphs Capital Account (charged to Revenue)—							
18.—Capital outlay on Posts and Telegraphs—Indo-European Telegraph Department	−42,92,577	1,00,72,358	51,39,701	**1,09,19,482**	−5,02,000	1,35,000	67,000
Debt Services—							
19.—Interest on Ordinary Debt	19,05,17,434	7,23,92,711	3,70,80,095	**29,99,90,290**	17,44,00,000	8,66,11,000	4,33,06,000
Deduct—Amount chargeable to—							
Railways	*9,22,00,832*	*4,24,61,280*	*2,16,85,936*	***15,63,48,048***	*10,58,98,000*	*4,25,23,000*	*2,12,62,000*
Irrigation	*12,18,481*	...	...	***12,18,481***	*10,76,000*	...	...
Posts and Telegraphs	*56,81,015*	...	...	***56,81,015***	*62,05,000*	...	...
Provincial Governments	*2,58,41,800*	...	...	***2,58,41,800***	*3,10,54,000*	...	...
Remainder chargeable to Ordinary Debt	6,55,75,356	2,99,31,431	1,53,94,159	**11,09,00,946**	3,01,67,000	4,40,88,000	2,20,44,000
20.—Interest on other Obligations	2,60,97,497	...	...	**2,60,97,497**	3,15,01,000	60,000	30,000
21.—Sinking Funds	1,54,00,000	50,00,000	25,71,571	**2,29.71,571**	1,54,00,000	50,00,000	25,00,000
Total	10,70,72,853	3,49,31,431	1,79,65,730	**15,99,70,014**	7,70,68,000	4,91,48,000	2,45,74,000
Carried over	24,92,97,700	14,81,92,092	7,62,23,944	**47,37,13,736**	23,56,81,000	15,89,60,000	7,94,80,000

*Sterling converted into Rupees at £1=Rs. 10.

of the Central Government, in India and in England.

1922-23.		Budget Estimate, 1923-24.							
Total.	Increase (+) Decrease (—) as compared with Budget, 1922-23.	India.	* England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1922-23.	Increase (+) Decrease (—) as compared with Revised, 1922-23.	Distribution of Total between	
								Voted.	Non-voted.
R	R	R	R	R	R	R	R	R	R
70,99,000	+2,54,000	71,15,000	90,000	45,000	72,50,000	+4,35,000	+1,51,000	62,53,000	9,97,000
45,88,000	—80,000	62,87,000	61,000	31,000	63,79,000	+17,11,000	+17,91,000	60,07,000	3,72,000
1,60,74,000	—12,55,000	1,53,66,000	56,000	28,000	1,54,50,000	—18,79,000	—6,24,000	1,14,13,000	40,37,000
1,88,68,000	+2,47,000	1,87,42,000	59,000	30,000	1,88,31,000	+2,10,000	—37,000	1,86,76,000	1,55,000
13,77,000	—1,77,000	11,35,000	21,000	10,000	11,66,000	—3,88,000	—2,11,000	10 59,000	1,07,000
3,03,000	+19,000	2,50,000	14,000	7,000	2,71,000	—13,000	—32,000	1,49,000	1,22,000
1,19,000	—7,57,000	—43,70,000	27,00,000	13,50,000	—3,20,000	—11,96,000	—4,39,000	} —2,98,000	21,000
1,44,000	—1,66,000	43,000	...	...	43,000	—2,67,000	—1,01,000		
44,57,000	—3,70,000	39,46,000	4,43,000	2,21,000	46,10,000	—2,17,000	+1,53,000	40,17,000	5,93,000
44,000	—4,000	42,000	...	...	42,000	—6,000	—2,000	38,000	4,000
5,30,73,000	—22,59,000	4,85,56,000	34,44,000	17,22,000	5,37,22,000	—16,10,000	+6,49,000	4,73,14,000	64,08,000
16,96,83,000	+27,09,000	12,16,05,000	4,41,23,000	2,20,62,000	18,77,90,000	+2,08,16,000	+1,81,07,000	...	18,77,90,000
3,32,04,000	—4,44,000	3,69,000	2,12,41,000	1,06,20,000	3,22,30,000	—14,18,000	—9,74,000	...	3,22,30,000
5,03,62,000	...	...	3,35,75,000	1,67,87,000	5,03,62,000	...	...	...	5,03,62,000
46,11,000	+29,000	...	32,73,000	16,37,000	49,10,000	+3,28,000	+2,99,000	...	49,10,000
10,80,000	—9,03,000	25,90,000	...	...	25,90,000	+6,07,000	+15,10,000	25,90,000	...
34,51,000	+11,47,000	—11,26,000	15,84,000	7,92,000	12,50,000	—10,54,000	—22,01,000	5,69,000	6,81,000
26,23,91,000	+25,38,000	12,34,38,000	10,37,96,000	5,18,98,000	27,91,32,000	+1,92,79,000	+1,67,41,000	31,59,000	27,59,73,000
10,76,000	+1,25,000	10,88,000	...	...	10,88,000	+1,37,000	+12,000	...	10,88,000
1,14,000	—19,000	1,16,000	...	...	1,16,000	—17,000	+2,000	1,16,000	...
11,90,000	+1,06,000	12,04,000	...	...	12,04,000	+1,20,000	+14,000	1,16,000	10,88,000
35,000	...	2,15,000	1,000	...	2,16,000	+1,81,000	+1,81,000	2,16,000	...
62,05,000	—3,95,000	63,28,000	...	...	63,28,000	+2,28,000	+6,23,000	...	63,28,000
(a)7,37,000	—24,24,000	—49,24,000	25,00,000	12,50,000	(a)—11,74,000	—43,35,000	—19,11,000	—11,74,000	...
69,42,000	—28,19,000	19,04,000	25,00,000	12,50,000	56,54,000	—41,07,000	—12,88,000	—11,74,000	68,28,000
—3,00,000	—2,71,000	—6,56,000	2,25,000	1,12,000	—3,19,000	—2,90,000	—19,000	—3,19,000	...
30,43,17,000	+2,18,86,000	20,29,30,000	10,04,95,000	5,02,48,000	35,36,73,000	+7,12,42,000	+4,93,56,000	...	...
16,96,83,000	—2,40,22,000	*12,16,05,000*	*4,41,23,000*	*2,20,62,000*	*18,77,90,000*	—4,21,29,000	—1,81,07,000	...	...
10,76,000	—1,25,000	*10,88,000*	...	...	*10,88,000*	—1,37,000	—12,000	...	...
62,05,000	+3,95,000	*68,28,000*	...	...	*68,28,000*	—2,28,000	—6,23,000	...	...
3,10,54,000	—10,81,000	*4,00,15,000*	...	...	*4,00,15,000*	—1,00,42,000	—89,61,000	...	...
9,62,99,000	—29,47,000	3,33,94,000	5,63,72,000	2,81,86,000	11,79,52,000	+1,87,06,000	+2,16,53,000	22.000	11,79,30,000
3,15,91,000	—7,72,000	3,21,07,000	36,000	18,000	3,21,61,000	—2,02,000	+5,70,000	3,21,07,000	54,000
2,29,00,000	+25,00,000	1,54,00,000	44,29,000	22,15,000	2,20,44,000	+16,44,000	—8,56,000	...	2,20,44,000
15,07,90,000	—12,19,000	8,09,01,000	6,08,37,000	3,04,19,000	17,21,57,000	+2,01,48,000	+2,13,67,000	3,21,29,000	14,00,28,000
47,41,21,000	—39,24,000	25,55,62,000	17,08,03,000	8,54,01,000	51,17,66,000	+3,37,21,000	+3,76,45,000	8,14,41,000	43,03,25,000

(a) The corresponding actuals for 1921-22 are included under "18—Capital outlay on Posts and Telegraphs."

B.—Statement of the Expenditure charged to the Revenues

HEADS OF EXPENDITURE.	ACCOUNTS, 1921-22. India.	* England.	Exchange.	TOTAL.	REVISED ESTIMATE, India.	* England.	Exchange.
	R	R	R	R	R	R	R
Brought forward	24,92,97,700	14,81,92,092	7,62,23,944	**47,37,13,73 6**	23,56,81,000	15,89,60,000	7,94,80,000
Civil Administration—							
22.—General Administration—							
A.—Heads of Provinces (including Governor General) and Executive Councils					25,61,000	...	...
B.—Legislative Bodies					8,28,000	...	...
C.—Secretariat and headquarters establishment	1,28,48,917	...	...	**1,28,48,917**	79,21,000	...	...
D.—Commissioners					...	...	...
E.—District Administration					17,46,000	...	...
F.—Home Administration, etc.	...	42,33,257	21,77,224	**64,10,481**	...	52,45,000	26,23,000
23.—Audit	66,33,288	2,72,844	1,40,327	**70,46,459**	72,41,000	3,27,000	1,63,000
24.—Administration of Justice	9,81,071	34,743	17,869	**10,33,683**	9,84,000	87,000	44,000
25.—Jails and Convict Settlements	44,97,869	11,959	6,151	**45,15,979**	44,65,000	35,000	17,000
26.—Police	86,14,446	93,138	47,902	**87,55,486**	86,52,000	1,75,000	88,000
27.—Ports and Pilotage	21,64,743	1,55,537	79,995	**24,00,275**	20,74,000	2,35,000	1,17,000
28.—Ecclesiastical	26,50,022	2,64,440	1,36,005	**30,50,467**	26,84,000	2,90,000	1,45,000
29.—Political	2,13,20,046	8,20,122	4,21,801	**2,25,61,969**	2,80,73,000	6,51,000	3,26,000
30.—Scientific Departments	1,05,93,741	3,91,250	2,01,226	**1,11,86,217**	85,51,000	6,55,000	3,28,000
31.—Education	30,33,986	72,312	37,191	**31,43,489**	30,48,000	55,000	28,000
32.—Medical	27,48,814	2,08,411	1,07,189	**30,64,414**	24,79,000	4,20,000	2,10,000
33.—Public Health	15,82,030	38,588	19,846	**16,40,464**	15,98,000	60,000	30,000
34.—Agriculture	19,37,228	90,065	46,322	**20,73,615**	19,72,000	81,000	40,000
35.—Industries	24,137	68,545	35,254	**1,27,936**	15,000	28,000	14,000
36.—Aviation	87,572	299	154	**88,025**	40,000	2,000	1,000
37.—Miscellaneous Departments	38,73,043	1,71,119	88,009	**41,32,171**	20,79,000	3,83,000	1,91,000
TOTAL	8,35,90,953	69,26,629	35,62,465	**9,40,80,047**	8,70,11,000	87,29,000	43,65,000
Currency, Mint and Exchange—							
38.—Currency	27,84,437	41,54,075	21,36,500	**90,75,012**	29,02,000	40,90,000	20,45,000
39.—Mint	15,94,405	52,099	26,795	**16,73,299**	17,85,000	71,000	35,000
40.—Exchange	...	...	...	...	...	...	50,00,000
TOTAL	43,78,842	42,06,174	21,63,295	**1,07,48,311**	46,87,000	41,61,000	70,80,000
Civil Works—							
41.—Civil Works	1,51,30,197	1,91,508	98,495	**1,54,20,200**	1,48,07,000	1,29,000	65,000
Miscellaneous—							
43.—Famine Relief and Insurance— A.—Famine Relief	2,91,738	...	...	**2,91,738**	57,000	...	...
44—Territorial and Political Pensions	28,03,614	1,15,529	59,418	**29,78,561**	27,90,000	1,16,000	58,000
45.—Superannuation Allowances and Pensions	29,50,461	2,07,76,801	1,06,85,803	**3,44,13,065**	38,75,000	2,19,71,000	1,09,86,000
46.—Stationery and Printing	57,05,101	14,84,975	7,63,744	**79,53,820**	39,42,000	14,92,000	7,46,000
47.—Miscellaneous	69,07,930	22,09,759	11,36,510	**1,02,54,199**	46,82,000	15,45,000	7,72,000
TOTAL	1,86,58,844	2,45,87,064	1,26,45,475	**5,58,91,383**	1,53,46,000	2,51,24,000	1,25,62,000
Military Services—							
48.—Army—							
Effective	49,65,16,677	8,25,25,297	5,96,05,751	**70,85,71,984**	43,92,88,000	8,25,07,000	4,12,54,000
Non-effective	3,65,55,901	3,33,68,358			4,16,67,000	3,45,30,000	1,72,65,000
	53,30,72,578	11,58,93,655	5,96,05,751	**70,85,71,984**	48,09,55,000	11,70,37,000	5,85,19,000
49.—Marine	1,10,20,093	40,65,559	20,90,974	**1,71,76,626**	89,56,000	25,94,000	12,97,000
50.—Military Works	5,12,03,112	12,19,442	6,27,176	**5,30,49,730**	4,90,04,000	17,45,000	8,72,000
TOTAL	59,52,95,783	12,11,78,656	6,23,23,901	**77,87,98,340**	53,89,15,000	12,13,76,000	6,06,88,000
Contributions and Assignments to the Central Government by Provincial Governments— 52.—Miscellaneous ajdustments between the Central and Provincial Governments	...	...	...	...	3,86,000	...	...
TOTAL EXPENDITURE CHARGED TO REVENUE.	96,63,52,319	30,52,82,123	15,70,17,575	**1,42,86,52,017**	89,68,33,000	31,84,79,000	16,42,40,000

*Sterling converted into Rupees at £1 = R10.

f the Central Government in India and in England—*continued.*

922-23.		BUDGET ESTIMATE, 1923-24.							
Total.	Increase (+) Decrease (—) as compared with Budget, 1922-23.	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1922-23.	Increase (+ () Decrease (—) as compared with Revised, 1922-23.	Distribution of Total between	
								Voted.	Non-voted.
R	R	R	R	R	R	R	R	R	R
47,41,21,000	—39,24,000	25,55,62,000	17,08,03,000	8,54,01,000	51,17,66,000	+3,37,21,000	+3,76,45,000	8,14,41,000	43,03,25,000
25,61,000	+5,12,000	24,35,000	...	...	24,35,000	+3,86,000	—1,26,000		
8,28,000	—22,000	9,08,000	...	...	9,08,000	+58,000	+80,000		
79,21,000	—1,10,000	65,45,000	...	...	65,45,000	—14,86,000	—13,76,000	95,48,000	61,62,000
...	...	14,000	...	...	14,000	—14,000	+14,000		
17,46,000	+1,32,000	16,69,000	...	...	16,69,000	+55,000	—77,000		
78,68,000	+31,77,000	...	27,59,000	13,80,000	41,39,000	—5,52,000	—37,29,000		
77,31,000	—4,45,000	75,62,000	2,52,000	1,26,000	79,40,000	—2,36,000	+2,09,000	70,72,000	8,68,000
11,15,000	+1,18,000	10,40,000	82,000	41,000	11,72,000	+1,70,000	+57,000	7,43,000	4,29,000
45,17,000	+94,000	39,69,000	27,000	13,000	40,09,000	—4,14,000	—5,08,000	37,93,000	2,16,000
89,.5,000	+7,89,000	84,97,000	1,22,000	61,000	86,80,000	+5,54,000	—2,35,000	76,88,000	9,92,000
21,26,000	—82,000	21,50,000	2,41,000	1,21,000	25,12,000	+4,000	+86,000	11,29,000	13,83,000
31,19,000	—1,23,000	28,53,000	2,83,000	1,41,000	32,83,000	+41,000	+1,64,000	...	32,83,000
2,90,50,000	+1,51,000	3,07,83,000	4,72,000	2,36,000	3,14,91,000	+25,92,000	+24,41,000	...	3,14,91,000
95,34,000	—12,84,000	80,32,000	5,74,000	2,87,000	88,93,000	—19,25,000	—6,41,000	68,14,000	20,79,000
31,31,000	—1,19,000	31,05,000	74,000	37,000	32,16,000	—34,000	+85,000	25,34,000	6,82,000
31,09,000	+11,000	24,03,000	2,51,000	1,26,000	27,80,000	—3,18,000	—3,29,000	18,08,000	9,72,000
16,85,000	+86,000	15,92,000	52,000	26,000	16,70,000	+70,000	—18,000	5,89,000	10,81,000
20,93,000	—1,76,000	19,55,000	84,000	42,000	20,81,000	—1,88,000	—12,000	15,81,000	5,00,000
57,000	—87,000	45,000	21,000	10,000	76,000	—65,000	+19,000	55,000	21,000
43,000	—5,000	24,000	...	...	24,000	—24,000	—19,000	19,000	5,000
26,53,000	+85,000	17,19,000	17,15,000	8,58,000	42,92,000	+17,24,000	+16,39,000	39,99,000	2,93,000
10,01,05,000	+26,99,000	8,73,15,000	70,09,000	35,05,000	9,78,29,000	+4,23,000	—2,76,000	4,73,72,000	5,04,57,000
90,37,000	+26,07,000	30,39,000	43,00,000	21,50,000	94,89,000	+30,59,000	+4,52,000	92,89,000	2,00,000
18,91,000	—3,01,000	17,03,000	79,000	40,000	18,22,000	—3,70,000	—69,000	16,30,000	1,92,000
50,00,000	—9,45,50,000	...	...	...	...	—9,95,50,000	—50,00,000	...	...
1,59,28,000	—9,22,44,000	47,42,000	43,79,000	21,90,000	1,13,11,000	—9,68,61,000	—46,17,000	1,09,19,000	3,92,000
1,50,01,000	—11,48,000	1,75,19,000	90,000	48,000	1,76,63,000	+15,14,000	+26,62,000	1,16,37,000	60,26,000
57,000	+30,000	5,000	...	...	5,000	—23,000	—52,000	5,000	..
29,64,000	—1,20,000	28,12,000	1,16,000	58,000	29,86,000	—98,000	+22,000	...	29,86,000
3,68,32,000	+1,21,07,000	40,55,000	2,04,05,000	1,02,02,000	3,46,62,000	+99,37,000	—21,70,000	49,37,000	2,97,25,000
61,80,000	—4,56,000	31,45,000	19,03,000	9,52,000	60,00,000	—6,36,000	—1,80,000	59,49,000	51,000
69,99,000	+8,80,000	57,89,000	13,98,000	6,99,000	78,86,000	+17,67,000	+8,87,000	41,05,000	37,81,000
5,30,32,000	+1,24,41,000	1,58,06,000	2,38,22,000	1,19,11,000	5,15,39,000	+1,09,48,000	—14,93,000	1,49,96,000	3,65,43,000
56,30,49,000	+2,01,49,000	41,56,91,000	6,15,65,000	3,07,83,000	50,80,39,000	—3,48,61,000	—5,50,10,000	...	50,80,39,000
9,34,62,000	+1,93,29,000	3,70,12,000	3,56,30,000	1,78,15,000	9,04,57,000	+1,63,24,000	—30,05,000	...	9,04,57,000
65,65,11,000	+3,94,78,000	45,27,03,000	9,71,95,000	4,85,98,000	59,84,96,000	—1,85,37,000	—5,80,15,000	...	59,84,96,000
1,28,47,000	—5,49,000	59,01,000	24,90,000	12,45,000	96,36,000	—37,60,000	—32,11,000	...	96,36,000
5,16,21,000	+48,36,000	4,15,98,000	5,05,000	2,52,000	4,23,55,000	—44,30,000	—92,66,000	...	4,23,55,000
72,09,79,000	+4,37,65,000	50,02,02,000	10,01,90,000	5,00,95,000	65,04,87,000	—2,67,27,000	—7,04,92,000	...	65,04,87,000
3,86,000	—59,43,000	3,62,000	...	...	3,62,000	—59,67,000	—24,000	3,62,000	...
1,37,95,52,000	—4,43,54,000	88,15,08,000	30,62,99,000	15,31,50,000	1,34,09,57,000	—8,29,49,000	—3,85,95,000	16,67,27,000	1,17,42,30,000

C.—Statement of Receipts and Disbursements of the

	Accounts, 1921-22.			Revised Estimate, 1923-23.			Budget Estimate, 1923-24.		
	India.	*England.	Total.	India.	*England.	Total.	India.	*England.	Total.
	R	R	R	R	R	R	R	R	R
Revenue (from Statement A)	1,09,14,24,581	4,01,44,664	1,13,15,69,245	1,18,30,80,000	1,59,58,000	1,19,90,38,000	1,32,07,29,000	1,88,76,000	1,33,96,05,000
Exchange added to Revenue	2,05,81,072	...	2,05,81,072	79,79,000	...	79,79,000	94,38,000	...	94,38,000
Total	1,11,20,05,653	4,01,44,664	1,15,21,50,317	1,19,10,59,000	1,59,58,000	1,20,70,17,000	1,33,01,67,000	1,88,76,000	1,34,90,43,000
Excess of Revenue over Expenditure charged to Revenue			−27,65,01,700			−17,25,35,000			80,86,000
Railway Capital not charged to Revenue—									
Capital contributed by Railway Companies and Indian States towards outlay on State Railways	18,88,170	45,00,000	63,88,170	8,93,000	17,85,000	26,78,000	1,50,42,000	3,00,84,000	4,51,26,000
Public Debt Incurred—									
Permanent Debt—									
Sterling Debt—									
New Sterling Loan	...	...		...	...		...	15,14,08,000	
7 per cent. Stock	...	7,50,00,000		...	...		...	...	
5½ per cent. Stock	...	6,86,71,413		...	14,55,10,000		...	...	
4½ per cent. Stock	...	...		...	17,00,00,000		...	...	
Rupee Debt—									
New Rupee Loan	...	...		...			25,00,00,000	...	
6 per cent. Bonds, 1932	...	...		19,48,92,000			..	...	
6 per cent. Bonds, 1931	11,30,75,300	...		...	...		...	...	
6 per cent. Bonds, 1930	−7,08,500	...		...	...		...	...	
6 per cent. Bonds, 1926	37,89,74,400	...		...	...		...	...	
6 per cent. Bonds, 1927	...	...		27,37,83,000			...	...	
5½ per cent. War Bonds, 1928	14,100	...		...	...		...	...	
5½ per cent. War Bonds, 1920	−200	...		...	...		...	...	
5½ per cent. War Bonds, 1921	−2,000	...		...	...		...	...	
3½ per cent. Loans	...	...		6,86,000	...		3,00,000	...	
Total	49,13,53,100	14,36,71,413	63,50,24,513	46,93,61,000	31,55,10,000	78,48,71,000	25,03,00,000	15,14,08,000	40,17,08,000
Net			42,26,70,108			66,45,36,000			33,15,56,000
Floating Debt—									
Treasury Bills—								...	
Issued to Public	76,35,45,000	...		45,50,00,000	...		40,50,00,000		
Issued to Paper Currency Reserve	62,95,00,000	...		49,65,00,000	...		49,65,00,000	...	
Other Floating Loans	15,00,00,000	...		...	...		...		
Total	1,54,30,45,000	...	1,54,30,45,000	95,15,00,000	...	95,15,00,000	90,15,00,000	...	90,15,00,000
Net			6,92,60,000			0			0
Unfunded Debt—									
Post Office Cash Certificates	47,98,217	...		78,00,000	...		1,28,00,000	...	
Deposits of Service Funds	16,16,231	17,898		14,52,000	20,000		14,43,000	20,000	
Savings Bank Deposits	27,20,30,946	3,80,177		24,53,39,000	1,40,000		26,50,90,000	1,20,000	
Total	27,84,45,394	3,98,075	27,88,43,469	25,45,91,000	1,60,000	25,47,51,000	27,93,33,000	1,40,000	27,94,73,000
Net			4,62,46,893			3,14,11,000			5,01,85,000
Deposits and Advances—									
Deposits of Local Funds—									
District Funds	11,44,58,945	...		11,88,48,000	...		11,76,08,000	...	
Other Funds	8,29,37,619	...		8,41,47,000	...		8,17,31,000	...	
Deposits of Branch Lines Companies	7,36,040	...		15,31,000	...		23,69,000	...	
Sinking Funds for Central Loans	1,54,00,000	...		1,54,00,000	...		1,54,00,000	...	
Other Sinking Fund Deposits	3,00,544	...		3,13,000	...		3,25,000	...	
Gold Standard Reserve	...	97,08,37,535		...	1,41,24,21,000		...	1,42,06,73,000	
Paper Currency Reserve	3,40,64,437	37,10,31,640		2,17,90,000	24,19,80,000		...	5,84,50,000	
Departmental and Judicial Deposits	79,79,05,846	...		78,21,25,000	...		77,22,50,000	...	
Advances	13,25,76,566	2,46,23,447		19,15,95,000	1,50,09,000		17,12,65,000	53,32,000	
Suspense Accounts	6,32,84,086	26,73,678		2,60,22,000	...		83,00,000	1,75,41,000	
Exchange on Remittance Accounts	11,36,82,631	...		16,96,05,000	...		8,70,80,000	...	
Miscellaneous	5,26,75,082	94,73,033		10,21,24,000	82,47,000		1,77,30,000	55,55,000	
Total	1,40,80,21,796	1,37,86,39,333	2,78,66,61,129	1,51,35,00,000	1,67,76,57,000	3,19,11,57,000	1,27,40,58,000	1,50,75,57,000	2,78,16,15,000
Net			18,71,20,018			18,64,85,000			11,42,69,000
Carried over	4,83,47,59,113	1,56,73,53,485		4,38,09,04,000	3,01,10,70,000		4,05,04,00,000	1,70,80,65,000	

* Sterling converted into Rupees at £1 = Rs. 10.

Central Government, in India and in England.

	Accounts, 1921-22.			Revised Estimate, 1922-23.			Budget Estimate, 1923-24.		
	India.	* England.	Total.	India.	* England.	Total.	India.	* England.	Total.
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Expenditure (from Statement B)	96,63,52,319	30,52,82,123	1,27,16,34,442	89,68,33,000	31,84,79,000	1,21,53,12,000	88,15,08,000	30,62,99,000	1,18,78,07,000
Exchange charged as expenditure	15,70,17,575	...	15,70,17,575	16,42,40,000	...	16,42,40,000	15,31,50,000	...	15,31,50,000
Total	1,12,33,69,894	30,52,82,123	1,42,86,52,017	1,06,10,73,000	31,84,79,000	1,37,95,52,000	1,03,46,58,000	30,62,99,000	1,34,09,57,000
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—									
Construction of State Railways	9,39,92,306	13,56,46,629	22,96,38,935	9,71,25,000	10,44,80,000	20,16,05,000	19,63,95,000	19,00,00,000	(a) 38,63,95,000
Payments for discharge of debentures	2,85,276	5,00,000	7,85,276	20,00,000	40,00,000	60,00,000	1,50,42,000	3,00,84,000	4,51,26,000
Construction of Irrigation Works	1,18,054	126	1,18,180	1,99,000	1,000	2,00,000	22,000	...	(b) 22,000
Capital outlay on Indian Postal and Telegraph Department	81,61,617	...	81,61,617	1,10,36,000	...	1,10,36,000	94,30,000	...	(b) 94,30,000
Initial expenditure on new Capital at Delhi	1,19,29,639	15,97,779	1,35,27,418	1,72,93,000	18,57,000	1,91,50,000	1,88,42,000	8,58,000	(c) 1,97,00,000
Public Debt Discharged—									
Permanent Debt—									
Rupee Debt—									
5½ p. c. War Bonds, 1920	38,09,785	...		9,00,000	...		12,77,000	...	
Do. Do. 1921	15,35,92,150	...		40,00,000	...		32,15,000	...	
Do. Do. 1922	3,56,46,575	...		7,15,00,000	...		44,52,000	...	
Do. Do. 1923	...	...		8,00,000	...		1,44,59,000	...	
5½ p. c. War Bonds, 1925	400	...		...	...		...	...	
5 p. c. War Loan, 1929-47	64,86,125	...		54,40,000	...		1,02,35,000	...	
5 p. c. Loan, 1945-55	1,15,13,200	...		1,37,24,000	...		74,45,000	...	
4 p. c. Loans	12,00,000	...		2,31,67,000	...		2,87,19,000	...	
3½ p. c. Loans	9,958	...		4,000	...		...	...	
3 p. c. Loans	96,200	...		8,00,000	...		3,50,000	...	
Government Stock notes	12	...		...	...		...	...	
Total	21,23,54,405	...	21,23,54,405	12,03,35,000	...	12,03,35,000	7,01,52,000	...	7,01,52,000
Net			0			0			0
Floating Debt—									
Treasury Bills—									
Issued to Public	66,05,85,000	...		78,41,00,000	...		46,00,00,000	...	
Do. Paper Currency Reserve	66,32,00,000	...		57,89,00,000	...		49,65,00,000	...	
Other Floating Loans	15,00,00,000	...		...	...		...	...	
Total	1,47,37,85,000	...	1,47,37,85,000	1,36,30,00,000	...	1,36,30,00,000	95,65,00,000	...	95,65,00,000
Net			0			41,15,00,000			5,50,00,000
Unfunded Debt—									
Post Office Cash Certificates	91,41,448	...		2,00,00,000	...		1,75,00,000	...	
Special Loans	12,206	...		12,000	...		12,000	...	
Deposits of Service Funds	15,06,242	6,727		15,03,000	1,00,000		15,36,000	3,00,000	
Savings Bank Deposits	22,19,18,329	11,624		20,16,45,000	80,000		20,98,90,000	50,000	
Total	23,25,78,225	18,351	23,25,96,576	22,31,60,000	1,80,000	22,33,40,000	22,89,38,000	3,50,000	22,92,88,000
Net			0			0			0
Deposits and Advances—									
Deposits of Local Funds—									
District Funds	11,85,26,408	...		12,14,67,000	...		12,15,73,000	...	
Other Funds	8,55,34,553	...		8,42,27,000	...		8,23,71,000	...	
Deposits of Branch Line Companies	7,17,179	...		16,17,000	...		23,86,000	...	
Sinking Funds for Central Loans	1,36,75,346	...		1,70,22,000	...		1,54,02,000	...	
Gold Standard Reserve	10	97,08,68,609		...	1,41,24,21,000		...	1,42,06,73,000	
Paper Currency Reserve	3,35,63,836	37,10,31,640		8,16,00,000	24,19,80,000		...	5,84,50,000	
Departmental and Judicial Deposits	79,05,13,616	...		77,95,60,000	...		77,37,77,000	...	
Advances	15,03,37,702	2,40,47,448		19,26,98,000	1,49,75,000		15,93,73,000	63,57,000	
Suspense Accounts	3,02,46,896	...		5,02,63,000	...		15,37,000	1,75,41,000	
Exchange on Remittance Accounts	...	...		...	...		...	...	
Miscellaneous	3,15,935	1,01,61,933		...	68,42,000		...	79,06,000	
Total	1,22,84,31,481	1,37,61,09,620	2,59,95,41,111	1,32,84,54,000	1,67,62,18,000	3,00,46,72,000	1,15,64,19,000	1,51,09,27,000	2,66,73,46,000
Net			0			0			0
Carried over	4,38,00,05,897	1,81,91,54,638		4,22,36,75,000	2,10,52,15,000		3,68,63,98,000	2,03,85,18,000	

(a) Of this amount, ₹2,02,000 is non-voted and the balance of ₹38,61,93,000 is voted.
(b) The whole of this amount is voted.
(c) Of this amount, ₹3,76,000 is non-voted and the balance of ₹1,93,24,000 is voted.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1921-22.			Revised Estimate, 1922-23.			Budget Estimate, 1923-24.		
	India.	*England.	Total.	India.	*England.	Total.	India.	*England.	Total.
	R	R	R	R	R	R	R	R	R
Brought forward	4,83,47,59,113	1,56,73,53,485		4,38,09,04,000	2,01,10,70,000		4,05,04,00,000	1,70,80,65,000	
Loans and Advances by the Central Government	32,12,613	...	32,12,613	30,87,000	...	30,87,000	28,21,000	...	28,21,000
Net			0			18,99,000			6,67,000
Loans between Central and Provincial Governments	77,18,222	...	77,18,222	1,13,05,000	...	1,13,05,000	80,37,000	...	80,37,000
Net			0			0			
Remittances—									
Inland Money Orders	84,87,76,638	...		82,85,00,000	...		84,00,00,000	...	
Other Local Remittances	...	...		5,28,55,000	...		4,78,27,000	...	
Other Departmental Accounts	5,004	...		...	...		...	...	
Net Receipts by Civil Treasuries from—									
Railways	5,08,74,190	...		9,94,60,000	...		5,95,74,000	...	
Net Receipts from Civil Treasuries by—									
Posts and Telegraphs	5,54,90,744	...		1,30,86,000	...		88,29,000	...	
Marine	2,34,59,882	...		1,13,05,000	...		78,28,000	...	
Army and Military Works	55,98,40,510	...		50,57,33,000	...		46,64,15,000	...	
Remittance Account between England and India—									
Transfers through Paper Currency Reserve	2,90,060	2,50,11,590		...	...		...	...	
Remittances from India for financing Home Treasury	...	...		...	...		...	28,00,00,000	
Iraq drawings	290	5,46,29,217		...	2,66,40,000		...	2,75,00,000	
Recoverable War Expenditure	9,03,85,430	10,95,54,084		...	1,85,95,000		...	1,20,00,000	
Other transactions	25,20,53,178	14,69,98,039		4,54,97,000	7,28,23,000		3,12,21,000	2,49,16,000	
Total	1,88,11,75,926	33,61,92,930	2,21,73,68,856	1,55,64,36,000	11,80,58,000	1,67,44,94,000	1,46,16,94,000	34,44,16,000	1,80,61,10,000
Net			3,24,36,065			1,64,000			
Secretary of State's Bills drawn	...	...	...	...	2,57,00,000	2,57,00,000	...	...	...
Balances of Provincial Governments	...	...	...	3,77,18,000	...	3,77,18,000	1,08,74,000	...	1,08,74,000
Net			0			1,57,37,000			
Total Receipts	6,72,68,65,874	1,90,35,46,415 (a)		5,98,94,50,000	2,15,48,28,000 (b)		5,53,38,26,000	2,05,24,81,000 (b)	
Opening Balance	13,83,56,901	7,20,98,319		25,66,13,170	8,99,53,817		23,89,58,170	7,41,81,817	
GRAND TOTAL	6,86,52,22,775	1,97,56,44,734		6,24,60,63,170	2,24,47,81,817		5,77,27,84,170	2,12,66,62,817	

*Sterling converted into Rupees at £1 = Rs. 10.

(a) Of this amount, R18,828 represents the funds of the Gold Standard Reserve.

(b) Of this amount, R17,753 represents the funds of the Gold Standard Reserve.

DELHI,
FINANCE DEPARTMENT,
March 29, 1923.

M. F. GAUNTLETT,
Auditor General.

Central Government, in India and in England—*continued.*

	Accounts, 1921-22.			Revised Estimate, 1922-23.			Budget Estimate, 1923-24.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	R	R	R	R	R	R	R	R	R
Brought forward	4,38,00,05,897	1,81,91,54,638		4,22,36,75,000	2,10,52,15,000		3,68,63,98,000	2,03,85,18,000	
Loans and Advances by the Central Government	33,59,848	...	33,59,848	11,88,000	...	11,88,000	21,54,000	...	21,54,000
Net			1,47,235			0			0
Loans between Central and Provincial Governments	7,15,46,657	...	7,15,46,657	12,56,16,000	...	12,56,16,000	14,27,14,000	...	14,27,14,000
Net			6,38,28,435			11,43,11,000			13,46,77,000
Remittances—									
Inland Money Orders	85,28,83,993	...		82,80,00,000	...		84,00,00,000	...	
Other Local Remittances	64,20,043	...		5,16,05,000	...		4,69,33,000	...	
Other Departmental Accounts	3,72,583	...		1,17,000	...		9,000	...	
Net Payments into Civil Treasuries by—Railways	7,02,29,094	..		8,89,60,000	...		6,45,74,000	...	
Net Issues from Civil Treasuries to Posts and Telegraphs	5,51,12,141	...		1,30,86,000	...		88,29,000	...	
Marine	2,37,36,845	...		1,13,05,000	...		78,28,000	...	
Army and Military Works	55,44,61,986	...		50,57,33,000	...		46,64,15,000	...	
Remittance Account between England and India—									
Transfers through Paper Currency Reserve	2,53,01,650	...		...	...		...	...	
Remittances from India for financing Home Treasury	...	...		...	...		28,00,00,000	...	
Iraq drawings	5,51,78,670	...		2,63,70,000	...		2,75,00,000	...	
Recoverable War Expenditure	19,54,32,100	...		1,90,00,000	...		1,20,00,000	...	
Other transactions	30,39,93,120	4,18,10,566		8,67,56,000	4,34,04,000		3,98,09,000	2,02,28,000	
Total	2,14,31,22,225	4,18,10,566	2,18,49,32,791	1,63,09,26,000	4,34,04,000	1,67,43,30,000	1,79,38,97,000	2,02,28,000	1,81,41,25,000
Net			0			0			80,15,000
Secretary of State's Bills paid	...	...	...	2,57,00,000	...	2,57,00,000	...	...	...
Balances of Provincial Governments	1,05,74,978	2,47,25,713	3,53,00,691	...	2,19,81,000	2,19,81,000	...	2,28,86,000	2,28,86,000
Net			3,53,00,691			0			1,20,12,000
Total Disbursements	6,60,86,09,605	1,88,56,90,917		6,00,71,05,000	2,17,06,00,000		5,62,51,63,000	2,08,16,32,000	
Closing Balance	25,66,13,170	(b) 8,99,53,817		23,89,58,170	(b) 7,41,81,817		14,76,21,170	(b) 4,50,30,817	
GRAND TOTAL	6,86,52,22,775	1,97,56,44,734		6,24,60,63,170	2,24,47,81,817		5,77,27,84,170	2,12,66,62,817	

A. C. McWATTERS,
Controller of the Currency.

E. M. COOK,
Secretary to the Government of India.

D.—Abstract Statement of the Receipts and Disbursements of the Central Government in India and in England.

REVENUE AND EXPENDITURE.		Accounts, 1921-22.				Revised Estimate, 1922-23.		Budget Estimate, 1923-24.	
		Revenue.	Expenditure.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
		R	R	R	R	R	R	R	R
Principal Heads of Revenue	Customs	34,40,98,381	65,87,632	33,75,10,749		41,59,04,000		44,36,91,000	
	Taxes on Income	18,74,13,424	22,50,972	18,51,62,452		17,43,43,000		18,40,85,000	
	Salt	6,34,37,848	1,56,49,096	4,77,88,752		5,57,10,000		10,30,50,000	
	Opium	3,07,24,798	1,80,04,867	1,27,19,931		2,10,00,000		2,04,81,000	
	Other heads	2,20,16,921	1,02,19,632	1,17,97,289		1,72,93,000		1,86,85,000	
	TOTAL	64,76,91,372	5,27,12,199	59,49,79,173		68,42,50,000	...	76,89,92,000	...
Commercial Services	Railways	15,20,82,829	24,29,82,572	...	9,08,99,743	...	42,60,000	3,85,26,000	...
	Irrigation	5,94,141	14,48,454	...	8,54,313	...	1,99,000	...	3,37,0
	Posts and Telegraphs	56,52,778	1,66,00,497	...	1,09,47,719	24,16,000	...	1,54,97,000	...
Debt Services	Interest	1,11,00,700	15,99,70,014	...	14,88,69,314	...	14,03,79,000	...	14,70,61,0
Civil Administration	Civil Administration	77,29,211	9,40,80,047	...	8,63,50,836	...	9,44,85,000	...	9,16,21,0
Currency, Mint and Exchange	Currency	4,22,53,002	90,75,012	3,31,77,990	...	2,45,76,000	...	1,69,46,000	...
	Mint	14,89,091	16,73,299	...	1,84,208	...	1,94,000	...	13,31,0
	Exchange	...	...	...	...	...	50,00,000	...	...
Civil Works	Civil Works, etc.	11,33,782	1,54,20,200	...	1,42,86,418	...	1,38,76,000	...	1,65,94,0
Miscellaneous Civil Services	Famine Relief	...	2,91,738	...	2,91,738	...	57,000	...	5,0
	Superannuation	27,73,883	3,44,13,065	...	3,16,39,182	...	3,43,18,000	...	3,21,40,0
	Miscellaneous	6,82,05,859	1,02,54,199	5,79,51,660	...	...	42,85,000	...	67,51,0
	Other Heads	8,77,133	1,09,32,381	...	1,00,55,248	...	76,10,000	...	78,09,0
Military Services	Army—Effective	7,24,22,501	70,85,71,984	...	63,61,49,483	...	52,35,91,000	...	48,41,01,0
	Army—Non-effective					...	9,02,44,000	...	8,76,66,0
	Marine	61,25,655	1,71,76,626	...	1,10,50,971	...	92,62,000	...	75,07,0
	Military works	21,45,676	5,30,49,730	...	5,09,04,054	...	4,77,81,000	...	4,07,26,0
Contributions and Assignments to Central Government by Provincial Governments		12,98,72,704	...	12,98,72,704	...	9,17,64,000	...	9,17,74,000	...
	TOTAL	1,15,21,50,317	1,42,86,52,017	81,59,81,527	1,09,24,83,227	80,30,06,000	97,55,41,000	93,17,35,000	92,36,49,0
	Surplus			...		...		80,86,000	
	Deficit			27,65,01,700		17,25,35,000		...	
	Surplus			...	...	...	...	80,86,000	...
	Deficit			...	27,65,01,700	...	17,25,35,000	...	...
Capital Account	Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue:—								
	Payments for discharge of Debentures			...	7,85,276	...	60,00,000	...	4,51,26,0
	Capital contributed by Railway Companies and Indian States towards construction of State Railways			63,88,170	...	26,78,000	...	4,51,26,000	...
	Construction of Irrigation Works			...	1,18,180	...	2,00,000	...	22,0
	Construction of State Railways			...	22,96,38,935	...	20,16,05,000	...	38,63,95,0
	Capital outlay on Indian Postal and Telegraph Department			...	81,61,617	...	1,10,36,000	...	94,30,0
	Initial expenditure on new Capital at Delhi			...	1,35,27,418	...	1,91,50,000	...	1,97,00,0
Debt, Deposits, Advances and Remittances	Permanent Debt (net)			42,26,70,108	...	66,45,36,000	...	33,15,56,000	...
	Floating Debt (net)			6,92,60,000	...	...	41,15,00,000	...	5,50,00,0
	Unfunded Debt (net)			4,62,46,893	...	3,14,11,000	...	5,01,85,000	...
	Loans and Advances by Central Government (net)			...	1,47,235	18,99,000	...	6,67,000	...
	Loans between Central and Provincial Governments (net)			...	6,38,28,435	...	11,43,11,000	...	13,46,77,0
	Deposits and Advances (net)			18,71,20,018	...	18,64,85,000	...	11,42,69,000	...
	Remittances (net)			3,24,36,065	...	1,64,00,0	...	...	80,15,0
	Secretary of State's Bills drawn			...	...	2,57,00,000	...	...	...
	Secretary of State's Bills paid			...	...	...	2,57,00,000	...	...
	Balances of Provincial Governments (net)			...	3,53,00,691	1,57,37,000	...	...	1,20,12,0
Cash Balance	Opening Balance			21,04,55,220	...	34,65,66,987	...	31,31,39,987	...
	Closing Balance			...	34,65,66,987	...	31,31,39,987	...	19,26,51,9
	TOTAL			97,45,76,474	97,45,76,474	1,27,51,76,987	1,27,51,76,987	86,30,28,98	86,30,28,9

M. F. GAUNTLETT,
Auditor General.

A. C. McWATTERS,
Controller of the Currency.

E. M. COOK,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT,
March 29, 1923.

NOTES EXPLAINING THE DETAILS UNDER CERTAIN HEADS OF THE ESTIMATES.

General results.

The broad totals of revenue and expenditure for the last year, the current year and the ensuing year, are as follows :—

	Actuals, 1921-22. ₹
Revenue	1,15,21,50,317
Expenditure charged to Revenue	1,42,86,52,017
Deficit	27,65,01,700

	Revised, 1922-23. ₹
Revenue	1,20,70,17,000
Expenditure charged to Revenue	1,37,95,52,000
Deficit	17,25,35,000

	Budget, 1923-24. ₹
Revenue	1,34,90,43,000
Expenditure charged to Revenue	1,34,09,57,000
Surplus	80,86,000

Actuals, 1921-22.

These figures exclude all capital, debt and remittance transactions.

2. A brief explanation is as usual given below of the principal divergences between the Revised estimates of revenue and expenditure as submitted to the Legislature twelve months ago, and the actual accounts of the year as closed, audited and compiled by the Auditor General.

3. The broad results are brought out in the following table :—

	Revenue. ₹	Expenditure. ₹	Deficit. ₹
Revised, 1921-22	1,13,15,32,000	1,41,94,52,000	28,79,20,000
Actuals, 1921-22	1,15,21,50,317	1,42,86,52,017	27,65,01,700

4. The actual deficit was less than the Revised Estimate by ₹1,14,18,300 mainly as the result of an increase of ₹60 lakhs in income-tax revenue and a reduction of ₹41 lakhs in the debits for exchange.

5. The details of certain heads of the estimates are explained in the following pages. The railway estimates are explained in Appendix I.

I AND 1.—CUSTOMS.

SEA CUSTOMS.	Actuals, 1919-1920.	Actuals, 1920-1921.	Actuals, 1921-1922.	1922-1923.		Budget, 1923-1924.
IMPORTS.				Budget.	Revised.	
Special Import Duties.	R	R	R	R	R	R
1. Liquors—						
(a) Ale, Beer, Porter, Cider and other fermented Liquors	6,83,000	8,89,000	11,44,000	16,00,000	13,70,000	14,30,000
(b) Spirits and Liqueurs	1,24,79,000	1,70,10,000	1,91,71,000	2,43,00,000	2,02,00,000	2,26,00,000
(c) Wines	6,39,000	9,01,000	12,58,000	14,00,000	11,30,000	12,00,000
2. Sugar, all sorts	1,28,11,000	1,09,17,000	6,50,69,000	6,25,00,000	4,65,00,000	5,00,00,000(a)
3. Tobacco	89,07,000	1,31,26,000	1,01,36,000	1,40,00,000	1,47,00,000	1,60,00,000
4. Coal, coke and patent fuel	22,000	46,000	7,59,000	5,00,000	5,39,000	5,50,000
5. Mineral oils	1,00,37,000	77,34,000	80,97,000	1,30,00,000	1,11,50,000	1,25,00,000
6. Arms, Ammunition and Military Stores	6,03,000	6,15,000	7,51,000	8,50,000	8,50,000	9,00,000
7. Opium	3,000	3,000	2,000	3,000	3,000	3,000
8. Cotton yarn and thread	...	...	...	50,00,000	52,00,000	55,00,000
9. Cotton piecegoods	3,92,08,000	6,41,19,000	4,66,61,000	5,60,00,000	6,56,00,000	6,85,00,000
10. Matches	15,43,000	16,57,000	1,03,84,000	2,05,00,000	1,53,00,000	1,60,00,000
Duty at 2½ per cent.						
11. Machinery	18,86,000	52,67,000	1,15,95,000	1,05,00,000	69,00,000	69,00,000
12. Other articles	2,49,000	4,32,000	2,66,000	5,00,000	2,00,000	2,00,000
Duty at 10 per cent.						
13. Metals—Iron and Steel	46,08,000	66,90,000	67,75,000	1,73,00,000	1,86,00,000	2,00,00,000
14. Railway plant and rolling stock	13,56,000	33,91,000	53,32,000	1,73,00,000	1,20,00,000	1,10,00,000
15. Other articles	56,000	35,000	1,79,000	...	1,91,000	2,01,000
Duty at 15 per cent.						
16. Articles of Food and Drink (excluding sugar and vinegar)	66,30,000	63,69,000	83,00,000	94,00,000	1,30,00,000	1,45,00,000
17. Raw materials and articles mainly unmanufactured	38,15,000	38,23,000	42,15,000	45,00,000	68,00,000	68,00,000
18. Articles wholly or mainly manufactured—						
(a) Cutlery, hardware, implements and instruments	55,32,000	1,28,57,000	1,27,24,000	2,02,00,000	1,36,00,000	1,48,50,000
(b) Metals other than Iron and Steel	63,67,000	69,92,000	61,55,000	86,00,000	1,10,00,000	1,21,00,000
(c) Yarns and textile fabrics (other than cotton manufactures)	45,87,000	1,05,42,000	55,03,000	65,00,000	78,00,000	78,00,000
(d) All other articles wholly or mainly manufactured	2,11,27,000	4,30,93,000	2,71,06,000	4,54,00,000	3,83,00,000	4,00,00,000
19. Miscellaneous	48,19,000	72,64,000	70,75,000	65,00,000	51,00,000	60,00,000
Duty at 30 per cent.						
20. Motor cars and cycles	...	...	51,50,000	80,00,000	59,00,000	70,00,000
21. Silk piece-goods and other manufactures of silk	49,25,000	49,17,000	51,60,000	80,00,000	81,00,000	85,00,000
22. Pneumatic rubber tyres and tubes	...	...	21,85,000	29,00,000	32,60,000	37,50,000
23. Other articles	14,63,000	29,40,000	58,67,000	95,00,000	1,00,00,000	1,10,00,000
TOTAL IMPORTS	15,43,58,000	23,16,35,000	27,70,19,000	37,47,53,000	34,32,84,000	36,57,84,000
24. Export duties—						
(a) Hides and skins, raw	91,92,000	60,22,000	51,42,000	62,00,000	44,00,000	25,00,000
(b) Jute (raw and manufactured)	2,97,48,000	3,21,13,000	2,71,99,000	3,20,00,000	3,41,06,000	3,45,00,000
(c) Rice	37,22,000	60,28,000	80,45,000	1,10,00,000	1,10,00,000	1,15,00,000
(d) Tea	54,51,000	42,05,000	46,26,000	60,00,000	50,95,000	55,45,000
25. Sea Customs—Miscellaneous	10,86,000	18,85,000	12,67,000	20,00,000	11,25,000	11,74,000
26. Land Customs	7,40,000	14,01,000	14,60,000	12,00,000	20,00,000	20,38,000
27. Excise Duty on Cotton manufactures	1,55,15,000	2,30,93,000	2,19,17,000	2,35,00,000	1,78,15,000	1,88,15,000
28. Excise Duty on Motor Spirit	41,42,000	54,26,000	61,10,000	75,00,000	70,00,000	80,00,000
29. Excise Duty on Kerosene	...	...	18,000	40,00,000	88,78,000	90,90,000
30. Warehouse and wharf rents and Miscellaneous	8,79,000	71,77,000	8,28,000	10,00,000	8,00,000	10,00,000
TOTAL GROSS REVENUE	22,48,33,000	31,89,85,000	35,36,31,000	46,91,53,000	43,55,03,000	45,99,41,000
Deduct—Refunds	*1,01,63,000*	*92,18,000*	*95,33,000*	*1,49,69,000*	*1,25,00,000*	*90,00,000*
NET REVENUE	21,46,70,000	30,97,67,000	34,40,98,000	45,41,84,000	42,30,03,000	45,09,41,000
CHARGES.						
India	48,82,284	58,76,144	64,49,533	67,06,000	69,54,000	71,15,000
England	30,050	76,960	91,196	1,09,000	97,000	90,000
Exchange	...	...	46,903	...	48,000	45,000
TOTAL	49,12,334	59,53,104	65,87,632	68,15,000	70,99,000	72,50,000

(a) Includes R20 lakhs expected from the alteration in the rate of duty on saccharine.

6. The Revised estimate of Customs revenue in 1922-23 amounts to R42,30·03 lakhs or R3,11·81 lakhs less than the Budget estimate. The largest decline (R1,60 lakhs) will occur under sugar, the imports of which have fallen short of anticipations, partly as the result of a fall in prices, a consequent reduction in the tariff valuation from the 1st January 1923 and a postponement of imports in order to get the benefit of the lower valuation. The other important decreases occur under excise duty on cotton manufactures (R56·85 lakhs) owing to a reduced output from cotton mills as the result of the high price of cotton and a fall in the price of cotton cloth in internal markets, and the import duties on cutlery and hardware (R66 lakhs), railway plant and rolling stock (R53 lakhs), matches (R52 lakhs), spirits and liqueurs (R41 lakhs), machinery (R36 lakhs) and other manufactured articles (R71 lakhs). The decline under these heads will, however, be largely set off by increases from the import duties on cotton piece-goods (R96 lakhs), metals (R37 lakhs) and articles of food and drink (R36 lakhs) and the new excise duty on kerosene (R48·78 lakhs). *Revised, 1922-23.*

7. The Budget estimate of Customs revenue for 1923-24 is taken at R45,09·41 lakhs or R2,79·38 lakhs more than the Revised estimate for 1922-23. The estimates allow for a growth of revenue under the important tariff heads, the largest increases being expected under sugar (R15 lakhs), cotton piece-goods (R29 lakhs), metals (R25 lakhs) and spirits and liqueurs (R24 lakhs). The Budget also provides for increases of revenue under saccharine (R20 lakhs) and tea-chests (R7 lakhs), and for decreases under Railway materials (R23 lakhs), machinery (R7 lakhs) and the export duty on hides and skins (R19 lakhs) as the result of the minor changes in the tariff schedule made in the Indian Finance Act, 1923. *Budget, 1923-24.*

II AND 2.—TAXES ON INCOME.

REVENUE.

	Actuals, 1919-1920.	Actuals, 1920-1921.	Actuals, 1921-1922.	1922-1923. Budget.	1922-1923. Revised.	Budget, 1923-1924.
EXCESS PROFITS DUTY.	R	R	R	R	R	R
1. India	43,504	4,01,205	...	...	...	...
2. N.-W. Frontier	96,800	...	30,755	...	...	...
3. Madras	21,42,128	38,32,284	8,24,387	...	...	...
4. Bombay	2,78,07,499	61,58,826	11,21,569	...	1,43,000	...
5. Bengal	5,13,82,284	69,56,880	5,60,200	...	75,000	...
6. United Provinces	32,76,758	7,25,654	28,323	...	...	...
7. Punjab	6,94,035	4,23,648	51,453	...	...	...
8. Burma	39,23,846	2,85,277	...	...	...	...
9. Bihar and Orissa	2,24,608	30,726	13,881	...	...	...
10. Central Provinces	26,68,908	...	...	...	...	...
11. Assam	20,124	1,406	...	...	...	...
Total	9,22,80,494	1,88,15,906	26,30,568	...	2,18,000	...
SUPER-TAX.						
1. India	53,468	1,92,232	2,64,293	3,35,000	1,73,000	1,75,000
2. N.-W. Frontier	19,433	10,744	96,959	22,000	45,000	45,000
3. Madras	33,99,508	18,22,520	54,87,980	56,00,000	40,50,000	50,00,000
4. Bombay	1,01,50,702	1,88,02,642	3,80,66,807	2,96,52,000	3,67,55,000	2,73,86,000
5. Bengal	90,06,438	3,36,91,035	3,03,34,671	3,05,00,000	1,96,63,000	1,90,00,000
6. United Provinces	8,87,591	17,89,590	38,64,128	45,00,000	28,00,000	22,00,000
7. Punjab	3,71,364	9,39,808	10,06,091	7,08,000	9,79,000	10,23,000
8. Burma	12,84,955	47,15,451	56,21,222	61,00,000	61,50,000	60,00,000
9. Bihar and Orissa	9,05,288	9,07,194	10,63,880	11,22,000	18,77,000	12,28,000
10. Central Provinces	2,56,600	6,24,361	18,42,108	20,71,000	24,00,000	17,00,000
11. Assam	17,723	94,658	13,713	1,00,000	1,01,000	1,00,000
Total	2,63,53,070	6,35,90,235	8,76,61,852	8,07,10,000	7,49,93,000	6,38,57,000
INCOME-TAX.						
1. India General—Civil	18,91,813	18,99,806	25,78,782	28,11,000	29,38,000	29,63,000
Non-Civil Departments	48,29,019	53,15,471	62,43,377	61,77,000	63,35,000	63,14,000
2. Delhi	8,07,540	12,79,749	13,60,514	12,10,000	10,83,000	10,86,000
3. Baluchistan	35,943	42,282	48,153	46,000	58,000	62,000
4. North-West Frontier	3,29,925	5,24,026	5,22,787	5,73,000	7,67,000	7,17,000
5. Madras	1,06,94,329	1,39,94,480	1,51,91,114	1,80,01,000	1,42,51,000	1,50,01,000
6. Bombay	3,46,96,785	4,29,40,821	5,59,19,576	5,30,14,000	5,68,62,000	4,21,22,000
7. Bengal	3,47,37,615	4,33,27,376	4,36,23,020	4,15,00,000	2,86,45,000	2,90,00,000
8. United Provinces	63,95,167	70,57,656	90,67,961	1,01,20,000	97,64,000	83,14,000
9. Punjab	44,90,189	52,25,172	50,31,329	65,29,000	78,01,000	67,29,000
10. Burma	86,83,839	1,13,71,272	1,29,71,221	1,51,00,000	1,35,17,000	1,33,00,000
11. Bihar and Orissa	24,54,375	26,62,359	32,48,551	37,82,000	41,50,000	41,50,000
12. Central Provinces	26,55,092	29,01,463	41,66,582	44,82,000	41,48,000	35,96,000
13. Assam	7,43,248	9,80,404	8,86,404	10,43,000	10,48,000	12,24,000
Total	11,34,44,379	13,95,22,337	16,08,59,371	16,43,88,000	15,13,67,000	13,45,78,000
Gross Revenue from Taxes on income	23,20,78,443	22,19,28,478	25,11,51,791	24,50,98,000	22,65,78,000	19,84,35,000
Deduct—Refunds	*77,37,263*	*1,27,54,156*	*2,93,96,968*	*2,17,87,000*	*4,44,05,000*	*66,71,000*
NET REVENUE	22,43,41,180	20,91,74,322	22,17,54,823	22,33,11,000	18,21,73,000	19,17,64,000
Deduct—Share of Provincial Governments in Income-tax revenue under the Devolution Rules			*3,43,41,399*	*21,72,000*	*32,42,000*	*13,00,000*
Revenue of the Central Government			18,74,13,424	22,11,39,000	17,89,31,000	19,04,64,000

EXPENDITURE.

	Actuals, 1919-1920.	Actuals, 1920-1921.	Actuals, 1921-22.	1922-1923. Budget.	1922-1923. Revised.	Budget, 1923-1924.
	R	R	R	R	R	R
1. India General	43,458	43,884	51,467	95,000	6,94,000	10,00,000
2. Delhi	5,508	971		10,000	14,000	15,000
3. Baluchistan	...	...	...	...	6,000	14,000
4. North-West Frontier	4,439	18,325	22,511	46,000	53,000	62,000
5. Madras	1,49,341	3,48,722	3,30,627	8,00,000	4,89,000	6,86,000
6. Bombay	4,42,885	5,84,630	4,97,945	11,04,000	8,93,000	14,79,000
7. Bengal	2,66,623	3,11,468	2,87,409	8,00,000	5,50,000	7,87,000
8. United Provinces	2,64,601	3,72,169	3,63,044	6,37,000	5,86,000	6,49,000
9. Punjab	1,09,818	2,07,814	3,04,785	5,29,000	4,80,000	5,96,000
10. Burma	1,21,772	1,46,335	1,31,931	2,62,000	2,38,000	3,87,000
11. Bihar and Orissa	52,165	64,257	78,269	1,82,000	1,89,000	2,29,000
12. Central Provinces	61,732	82,480	1,53,508	3,54,000	3,08,000	3,71,000
13. Assam	4,927	5,295	5,327	7,000	12,000	12,000
Deduct—Lump reduction made by the Assembly	...	...	...	*2,24,000*	...	...
Total	15,27,269	21,86,350	22,26,823	46,02,000	45,17,000	62,87,000
England	1,230	19,720	15,947	66,000	47,000	61,000
Exchange	...	...	8,202	...	24,000	31,000
TOTAL EXPENDITURE R	15,28,499	22,06,070	22,50,972	46,68,000	45,88,000	63,79,000

REVENUE.

(*i*) *Excess Profits Duty.*

8. The Revised Estimate for the current year (R2·18 lakhs) represents the collection of arrears thrown forward from previous years. *Revised, 1922-23.*

(*ii*) *Super-tax and Income-tax.*

9. The Revised Estimate of net revenue for 1922-23 is taken at R17,87·36 lakhs against the Budget Estimate of R22,11·39 lakhs. The bulk of the decrease occurs in Bengal (R3,61·19 lakhs) owing to a reduction in the profits of 1921-22 and to heavy refunds necessitated by the adjustment of provisional assessments made on the basis of the previous year's income in accordance with the provisions of section 19 of the Income-tax Act of 1918. There will also be a falling off of revenue due to the same cause in Madras (R54.79 lakhs), Burma (R33·89 lakhs) and the United Provinces (R25·82 lakhs), but these decreases will be partly set off by increased collections in Bombay (R41·64 lakhs). *Revised, 1922-23.*

10. The Budget estimate of net revenue for 1923-24 is placed at R19,04·64 lakhs and is R1,17·28 lakhs more than the Revised estimate for the current year. Owing to the abolition of the adjustment system referred to above, the refunds are expected to be R3,77·11 lakhs less than in the current year, but this improvement will be set off to a large extent by a reduction in the demand in several provinces, notably Bombay and Bengal, following on the lower profits of the current year. *Budget, 1923-24.*

EXPENDITURE.

11. The Revised estimate for the current year does not materially differ from the Budget. The savings appearing against several provinces are nominal, being due to the full sanctioned staff not having been entertained. Payments will, however, have to be made to local Governments to compensate them for the work done by the provincial revenue staff where a whole-time staff has not been appointed and a provision of R6 lakhs on this account is included under "India General." The Budget for 1923-24 provides for the further strengthening of income-tax establishments in almost all the provinces and includes R9 lakhs for compensatory payments to local Governments. *Revised, 1922-23.* *Budget, 1923-24.*

III AND 3.—SALT.

	Actuals, 1919-1920.	Actuals, 1920-1921.	Actuals, 1921-1922.	1922-1923. Budget.	1922-1923. Revised.	Budget, 1923-1924.
	R	R	R	R	R	R
REVENUE.						
Northern India (*a*)	80,81,326	1,45,37,961	1,89,25,023	2,18,08,000	2,20,33,000	3,42,89,000
Madras (*a*)	1,51,53,932	1,46,12,475	1,39,10,320	1,41,96,000	1,60,92,000	2,39,35,000
Bombay (*a*)	1,71,82,357	2,13,17,341	1,25,87,566	1,56,24,000	1,64,00,000	2,75,31,000
Bengal (*b*)	1,38,59,449	1,40,10,216	1,56,42,365	1,62,80,000	1,88,60,000	2,70,40,000
Burma (*b*)	32,00,112	31,64,742	33,52,444	34,00,000	33,30,000	55,04,000
Bihar and Orissa	1,233	1,303	2,082	1,000	1,000	1,000
Assam	910	770	...	...	...	...
GROSS REVENUE	5,74,79,319	6,76,45,308	6,44,19,800	7,13,09,000	7,67,16,000	11,83,00,000
Deduct—Refunds	*3,95,405*	*57,65,495*	*9,81,952*	*27,06,000*	*49,32,000*	*8,00,000*
NET REVENUE	5,70,83,914	6,18,79,813	6,34,37,848	6,86,03,000	7,17,84,000	11,75,00,000
CHARGES.						
Cost of salt purchased by Government	19,17,766	17,85,146	21,16,621	24,63,000	20,42,000	23,62,000
Assignments and compensations	44,46,452	38,55,408	36,84,990	38,77,000	38,49,000	39,11,000
Other charges	61,69,248	75,05,377	97,34,977	1,10,89,000	1,00,86,000	90,93,000
Deduct:—Lump reduction made by the Assembly	...	...	...	*1,71,000*	...	...
Total India	1,25,33,466	1,31,45,931	1,55,36,588	1,72,58,000	1,59,77,000	1,53,66,000
England	51,730	61,840	74,296	71,000	65,000	56,000
Exchange	...	...	38,212	...	32,000	28,000
TOTAL	1,25,85,196	1,32,07,771	1,56,49,096	1,73,29,000	1,60,74,000	1,54,50,000
Total Consumption Mds.	4,98,21,000	4,66,71,000	4,78,31,000	5,26,00,000	5,35,00,000	5,30,00,000

(*a*) Chiefly excise on local manufacture. (*b*) Chiefly duty on imported salt.

REVENUE.

Revised, 1922-23

12. Exclusive of the proceeds of the additional taxation referred to in paragraph 14 below, the Revised estimate of gross revenue exceeds the Budget for the current year by R29·07 lakhs, the increase occurring mainly in Bengal (R18·80 lakhs) owing to the realisation of amounts outstanding from the previous year and in Madras (R13·96 lakhs) as the result of larger sales. The net revenue will, however, be only R6·81 lakhs more than the Budget owing chiefly to refunds of duty on Baragara salt recovered in 1920-21 (R20 lakhs).

Budget, 1923-24.

13. The total issues of salt in 1923-24, imported as well as locally manufactured, are taken at 5,30 lakhs of maunds. Including sale proceeds of Government salt and other miscellaneous receipts and allowing for refunds on a normal scale, the Budget estimate of net revenue for 1923-24 has been placed at R7,25 lakhs exclusive of the proceeds of the additional taxation.

14. With effect from the 1st March 1923, the duty on salt imported into, and produced in, India has been increased from R1-4 to R2-8 a maund in accordance with the Indian Finance Act, 1923. Allowing for the operation of the credit system of sales which is in force in Bengal, Madras and Bombay, the extra revenue from the doubling of the duty is estimated at R25 lakhs in the current year and R4,50 lakhs in 1923-24.

Expenditure.

15. The Revised estimate for 1922-23 is less than the Budget by R12·55 lakhs, the decrease occurring chiefly in Northern India, Madras and Bombay. The Budget for 1923-24 contains additional provision for the improvement of salt sources and the development of mines, but this is more than counter-balanced by a decrease of R9·89 lakhs due to the credit under this head from next year of the recoveries from traders of the cost of bags used for despatch of salt which were hitherto treated as an item of revenue.

Revised, 1922-23.

Budget, 1923-24.

IV AND 4—OPIUM.

	Actuals, 1919-1920.	Actuals, 1920-1921.	Actuals, 1921-1922.	1922-1923. Budget.	1922-1923. Revised.	Budget, 1923-1924.
	R	R	R	R	R	R
INDIA.						
Revenue—						
Sale of provision and medical opium .	3,92,84,669	2,93,71,038	2,36,83,908	2,25,45,000	3,13,82,000	2,89,66,000
Excise opium and other revenue .	62,77,543	59,70,196	70,41,284	83,87,000	84,87,000	1,03,47,000
GROSS REVENUE .	4,55,62,212	3,53,41,234	3,07,25,192	3,09,32,000	3,98,69,000	3,93,13,000
Deduct—Refunds .	*419*	*623*	*394*	*2,000*	*1,000*	*1,000*
NET REVENUE .	4,55,61,793	3,53,40,611	3,07,24,798	3,09,30,000	3,98,68,000	3,93,12,000
Expenditure—						
Purchase of Opium (including payments to Cultivators) .	1,11,23,467	1,03,82,503	1,61,14,979	1,67,58,000	1,69,18,000	1,69,19,000
Other Charges . .	18,91,180	19,22,133	18,10,228	19,98,000	18,73,000	18,23,000
Deduct:—Lump reduction made by the Assembly . .	...	...	...	*2,00,000*		
TOTAL INDIA .	1,30,14,647	1,23,04,636	1,79,25,207	1,85,56,000	1,87,91,000	1,87,42,000
ENGLAND . .	39,850	70,550	52,605	65,000	51,000	59,000
Exchange . .			27,055		26,000	30,000
TOTAL .	1,30,54,497	123,75,186	1,80,04,867	1,86,21,000	1,88,68,000	1,88,31,000

REVENUE.

(*i*) *Provision and Medical Opium.*

Revised, 1922-23.

16. The Budget estimate for 1922-23 provided for a revenue of R2,25·45 lakhs from the sale of about 6,590 chests of opium for consumption outside India. Of this quantity 1,100 chests were to be disposed of at the monthly auctions held at Calcutta, and the balance was to be supplied to the Foreign Governments with which agreements have been entered into for the direct supply of opium at fixed prices, the countries which at present take the largest supplies in this manner being the Straits Settlements, the Netherlands Indies and Siam. Owing to a better demand for opium in the Far East than was anticipated in the Budget, 2,640 chests have so far been sold by auction and 250 chests are on offer for the sale of this month. The average price realised during the year will amount to R4,546 a chest, and the proceeds from auction sales are estimated at R1,31·38 lakhs, or R81·88 lakhs higher than the Budget. Inclusive of direct supplies which will bring in R6·49 lakhs more than the Budget owing to increased demands by some of the Foreign Governments, it is now estimated that 8,336 chests will be disposed of in the current year and that they will fetch a revenue R3,13·82 lakhs.

Budget, 1923-24.

17. The Budget estimate provides for a revenue of R2,89·66 lakhs from the sale of provision opium, or R24·16 lakhs less than the Revised estimate for the current year.

(*ii*) *Excise Opium and other revenue.*

Revised, 1922-23.

18. The Revised estimate for 1922-23 is more than the Budget by R1 lakh owing to an increase in consumption, mainly in Bombay and Assam.

Budget, 1923-24.

The Budget estimate exceeds the current year's Revised by R18·60 lakhs in consequence of the increase of the price payable by Local Governments from R23 to R30 per seer from the 1st April 1923. Only the amount charged to

Local Governments on account of the cost of production of opium consumed in India is credited under this head, the difference between the actual price of issue and the cost of production forming an item of excise revenue creditable to Provincial revenues in the case of the major provinces.

EXPENDITURE.

19. The Revised estimate for 1922-23 exceeds the Budget by R2·47 lakhs. There will be an increase of R8·34 lakhs in the payments for purchase of Malwa opium, partly set off by savings in establishment charges and in the provision for payments to cultivators in the United Provinces due to poor outturn. *Revised, 1922-23.*

20. The Budget estimate for 1923-24 does not differ materially from the current year's Revised. *Budget, 1923-24.*

XV, 17, 18 AND 56—POSTS AND TELEGRAPHS.

—	Actuals, 1919-20.	Actuals, 1920-21.	Actuals, 1921-22.	1922-23. Budget.	1922-23. Revised.	Budget, 1923-24.
	R	R	R	R	R	R
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
GROSS RECEIPTS.						
INDIA.						
1. Postage and Message Revenue .	7,28,30,379	7,03,41,950	7,36,78,560	9,22,69,000	7,99,69,000	8,49,99,000
2. Commission on money orders .	97,82,027	1,33,76,585	1,05,90,485	1,10,00,000	1,04,70,000	1,08,00,000
3. Other Receipts .	53,26,359	57,42,913	63,22,784	58,50,000	69,00,000	73,00,000
TOTAL INDIA .	8,79,38,765	9,44,61,448	9,05,91,829	10,91,19,000	9,73,39,000	10,30,99,000
ENGLAND .	...	...	...	...	...	...
TOTAL GROSS RECEIPTS	8,79,38,765	9,44,61,448	9,05,91,829	10,91,19,000	9,73,39,000	10,30,99,000
WORKING EXPENSES.						
INDIA.						
1. Establishment charges . . .	4,34,87,442	5,97,70,800	6,50,29,704	6,82,22,000	6,66,66,000	6,34,05,000
2. Stationery and Printing . . .	31,08,971	31,46,054	42,85,441	32,21,000	33,99,000	27,21,000
3. Conveyance of mails	82,30,286	1,00,51,774	1,09,92,055	1,14,99,000	1,12,78,000	1,06,83,000
4. Maintenance of Telegraph Lines . .	30,56,590	39,90,662	45,75,648	60,89,000	57,10,000	48,62,000
5. Miscellaneous .	18,88,441	11,05,551	12,95,088	12,96,000	22,08,000	12,78,000
TOTAL INDIA .	5,98,21,680	7,80,64,841	8,61,77,936	9,03,27,000	8,92,61,000	8,29,49,000
ENGLAND.						
1. Contribution to Eastern mail subsidy .	4,57,380	...	...	2,00,000	...	...
2. Other items .	68,040	2,66,500	1,81,313	2,55,000	3,25,000	2,77,000
TOTAL ENGLAND .	5,25,920	2,66,500	1,81,313	4,55,000	3,25,000	2,77,000
LOSS BY EXCHANGE .			92,857	2,27,000	1,62,000	1,38,000
TOTAL WORKING EXPENSES .	6,03,47,600	7,83,31,341	8,64,52,086	9,10,09,000	8,97,48,000	8,33,64,000
NET RECEIPTS—INDIAN POSTAL AND TELEGRAPH DEPARTMENT . . .	2,75,91,165	1,61,30,107	41,39,743	1.81,10,000	75,91,000	1,97,35,000

	Actuals, 1920-21.	Actuals, 1921-22.	1922-23. Budget.	1922-23. Revised.	Budget, 1923-24.
EXPENDITURE CHARGED TO REVENUE.	R	R	R	R	R
INDIAN POSTAL AND TELEGRAPH DEPARTMENT—					
INDIA.					
1. Interest on Debt	...	56,81,015	66,00,000	62,05,000	68,28,000
2. Miscellaneous Expenditure	—22,70,161	—36,49,820	—68,29,000	—54,13,000	—49,24,000
	—22,70,161	20,31,195	—2,29,000	7,92,000	19,04,000
ENGLAND.					
Miscellaneous Expenditure—Purchase of Stores	93,22,372	98,65,571	72,90,000	41,00,000	25,00,000
Loss by Exchange	...	50,34,237	36,45,000	20,50,000	12,50,000
TOTAL EXPENDITURE CHARGED TO REVENUE	70,52,211	1,69,31,003	1,07,06,000	69,42,000	56,54,000
CAPITAL OUTLAY ON POSTS AND TELEGRAPHS. (NOT CHARGED TO REVENUE.)					
INDIAN POSTAL AND TELEGRAPH DEPARTMENT—					
1. Telegraph Lines	66,26,833	43,99,424	89,44,000	62,23,000	61,00,000
2. Telegraph Buildings	343	11,57,739	25,03,000	19,50,000	12,30,000
3. Apparatus and Plant, etc.	5,89,280	21,04,454	30,53,000	28,63,000	21,00,000
TOTAL	72,16,456	81,61,617	1,45,00,000	1,10,36,000	94,30,000

	Actuals, 1919-20.	Actuals, 1920-21.	Actuals, 1921-22.	1922-23. Budget.	1922-23. Revised.	Budget, 1923-24.
INDO-EUROPEAN TELEGRAPH DEPARTMENT.	R	R	R	R	R	R
GROSS RECEIPTS.						
INDIA.						
1. Message Revenue	39,58,011	16,28,207	27,68,199	24,00,000	28,00,000	24,00,000
2. Other Receipts	98,523	24,461	—5,169	—2,90,000	30,000	—2,96,000
TOTAL INDIA	40,56,534	16,52,668	27,63,030	21,10,000	28,30,000	21,04,000
ENGLAND.						
1. Message Revenue	10,45,920	15,00,695	14,44,588	9,50,000	14,75,000	10,00,000
2. Other Receipts	6,350	1,500	4,045	3,20,000	2,000	3,20,000
TOTAL ENGLAND	10,52,270	15,02,195	14,48,633	12,70,000	14,77,000	13,20,000
Gain by exchange	...	...	6,99,509	6,35,000	7,39,000	6,60,000
TOTAL GROSS RECEIPTS	51,08,804	31,54,863	49,11,172	40,15,000	50,46,000	40,84,000
WORKING EXPENSES—INDIA AND ENGLAND	31,18,035	26,29,510	33,78,752	36,35,000	35,43,000	29,53,000
Loss by exchange	...	...	19,385	17,000	36,000	29,000
NET RECEIPTS—INDO-EUROPEAN TELEGRAPH DEPARTMENT	19,90,769	5,25,353	15,13,035	3,63,000	14,67,000	10,97,000

	Actuals, 1920-21.	Actuals, 1921-22.	1922-23. Budget.	1922-23. Revised.	Budget, 1923-24.
CAPITAL ACCOUNT CHARGED TO REVENUE.	R	R	R	R	R
INDO-EUROPEAN TELEGRAPH DEPARTMENT—					
India	—31,576	—6,42,757	—5,29,000	—5,02,000	—6,56,000
England	5,84,674	2,06,787	3,35,000	1,35,000	2,25,000
Loss by Exchange	...	1,05,464	1,65,000	67,000	1,12,000
TOTAL CAPITAL ACCOUNT CHARGED TO REVENUE	5,53,098	—3,30,506	—29,000	—3,00,000	—3,19,000

INDIAN POSTAL AND TELEGRAPH DEPARTMENT.

(a) *Gross Receipts.*

Revised, 1922-23.

21. The Revised estimate for 1922-23 falls short of the Budget by R1,17·80 lakhs owing partly to depression in trade and partly to reduction in correspondence in the early months of the year as the result of the increased rates of postage introduced by the Indian Finance Act, XII of 1922. The decrease would have been more but for larger realisations on account of rent of telephones and miscellaneous receipts (R10·50 lakhs).

Budget, 1923-24.

22. The Budget estimate of revenue for 1923-24 provides for an increase of R57·60 lakhs over the Revised estimate for the current year. The Indian Finance Bill of 1923 provides for the continuance during 1923-24 of the increased postal rates introduced by the Finance Act of 1922.

(b) *Working Expenses.*

Revised, 1922-23.

23. The Revised estimate shows a decrease of R12·61 lakhs as compared with the Budget, due chiefly to savings in temporary and additional establishments, partly set off by charges for overprinting stamps and the manufacture of post cards for which no provision was made in the Budget. The Budget estimate for 1923-24 has been generally framed with reference to the recommendations of the Indian Retrenchment Committee and is R63·84 lakhs less than the Revised estimate for the current year.

Budget, 1923-24.

(c) *Interest on Debt.*

24. The Revised estimate for the current year and the Budget for the next year are taken at R62·05 and R68·28 lakhs respectively with reference to the estimates of capital outlay now adopted.

(d) *Miscellaneous Expenditure—India.*

25. The increase in the Revised over the Budget estimate for the current year and in the Budget estimate for 1923-24 over the current year's Revised is mainly due to a reduction in the value of stores issued to the capital account and for working purposes owing to a curtailment of the programme of works.

(e) *Miscellaneous Expenditure—England.*

Revised, 1922-23.

26. The decrease of R31·90 lakhs in the Revised estimate for the current year as compared with the Budget is due partly to a fall in prices and in requirements and partly to a throw-forward of expenditure to the next year.

Budget, 1923-24.

The Budget grant for the purchase of stores in 1923-24 has been curtailed as the result of retrenchment.

(f) *Capital outlay not charged to Revenue.*

27. Pending the settlement of the basis of allocation of expenditure to the capital account, the arrangement adopted in the Budget estimate for the current year of showing outside the revenue account the outlay on telegraph buildings, lines and apparatus has been retained. The decrease in the Revised estimate for the current year and the further decrease in the Budget for 1923-24 are due to the restriction of expenditure to urgent works and works in progress.

INDO-EUROPEAN TELEGRAPH DEPARTMENT.

(a) *Gross Receipts.*

Revised, 1922-23.

28. The Revised estimate for the current year exceeds the Budget by R10·31 lakhs owing to a greater volume of traffic over the Eastern Telegraph line.

Budget, 1923-24.

The Budget for 1923-24 assumes normal traffic over this line.

(*b*) *Working Expenses.*

29. The decrease of R5,85 lakhs in the Budget for the next year as compared with the Revised for the current year is due to retrenchment. *Budget 1923-24.*

(*c*) *Capital outlay charged to Revenue.*

30. There is a saving of R5·89 lakhs in the Revised estimate as compared with the Budget for the current year mainly due to the postponement of works which are not considered urgent and to smaller expenditure on stores. On the other hand the contribution of R3·18 lakhs from the British Exchequer towards the construction of certain Persian lines for which credit was taken in the Budget is not expected to be realised during the current year. The Budget estimate for 1923-24 takes credit for this contribution, but provides for an increased expenditure of R2·99 lakhs on stores. *Revised, 1922-23.* *Budget, 1923-24.*

XVI.—INTEREST RECEIPTS.

	Actuals, 1919-20.	Actuals, 1920-21.	Actuals, 1921-22.	1922-23. Budget.	1922-23. Revised.	Budget, 1923-24.
INDIA.	R	R	R	R	R	R
1. Interest on loans and advances by the Central Government.	35,96,153	35,97,716	35,21,554	34,56,000	34,93,000	34,35,000
2. Interest on overdrawn Capital of Railway Companies in India.	5,45,148	33,277	37,107	65,000	37,000	37,000
3. Interest on advances to Railway Companies charged to Capital . . .	22,460	1,24,560	4,51,974	7,50,000	8,40,000	10,60,000
4. Interest on ecurities of Railway Companies' Provident Funds . . .	31,97,828	27,71,767	30,95,271	37,55,000	35,00,000	35,29,000
5. Miscellaneous items .	4,39,201	1,06,192	2,05,763	1,02,000	1,30,000	1,13,000
TOTAL INDIA .	78,00,790	66,36,512	73,11,669	81,28,000	80,00,000	81,74,000
ENGLAND.						
1. Interest realised from investment of Cash Balances, etc. .	36,25,580	18,78,580	22,83,413	3,03,000	16,07,000	6,98,000
2. Interest on advances to the Imperial Bank of Persia for the purpose of the Persian Government .	2,27,710	2,19,900	2,11,700			
3. Interest on investment in Special Reserve . . .	35,04,130	...	...			
4. Miscellaneous . .	4,520	4,630	7,030			
5. Assets of Gold Standard Reserve in excess of £40 millions.	...	...	...	...	...	1,05,83,000
TOTAL .	73,61,940	21,03,110	25,02,143	3,03,000	16,07,000	2,12,81,000
EXCHANGE .	...	...	12,86,888	...	8,04,000	56,41,000
TOTAL RECEIPTS .	1,51,62,730	87,39,622	1,11,00,700	84,31,000	1,04,11,000	2,50,96,000
Loans by the Central Government outstanding on 31st March .	9,23,69,626	9,08,72,250	9,10,19,485	9,01,70,250	8,91,20,485	8,84,53,485

India.

31. The variations do not call for remark.

England.

32. Owing to the large sterling loans issued during the year, the cash balances of the Secretary of State available for investment have been higher than anticipated in the Budget and the Revised estimate for the current year exceeds the Budget by R13·04 lakhs. The balances are expected to be smaller in 1923-24 and the Budget for that year has been taken at R9·09 lakhs less than the Revised. On the other hand, it is proposed to credit to revenue the assets of the Gold Standard Reserve in excess of £40 millions and the Budget for 1923-24 includes a credit of R1,05·83 lakhs on this account exclusive of exchange, or a total credit inclusive of exchange of R1,58·74 lakhs.

19 AND 20.—INTEREST EXPENDITURE AND 21.—SINKING FUNDS.

	Actuals, 1919-20.	Actuals, 1920-21.	Actuals, 1921-22.	1922-23. Budget.	1922-23. Revised.	Budget, 1923-24.
Interest on Debt other than that charged to Commercial Departments and Provincial Governments—	R	R	R	R	R	R
Interest on total Debt—						
1. India	14,92,79,916	17,88,14,392	19,05,17,484	19,94,50,000	17,44,00,000	20,29,30,000
2. England	6,96,21,840	6,61,56,260	7,23,92,711	8,29,81,000	8,66,11,000	10,04,95,000
3. Exchange	...	...	3,70,80,095	...	4,33,06,000	5,02,48,000
Total	21,89,01,756	24,49,70,652	29,99,90,290	28,24,31,000	30,43,17,000	35,36,73,000
Deduct—Amounts charged to—						
(*a*) Railways:						
(*i*) India	*7,63,56,062*	*8,80,51,408*	*9,22,00,832*	*10,13,93,000*	*10,58,98,000*	*12,16,05,000*
(*ii*) England	*3,67,30,270*	*3,77,48,700*	*4,24,61,280*	*4,42,68,000*	*4,25,23,000*	*4,41,23,000*
(*iii*) Exchange	...	...	*2,16,85,936*	...	*2,12,62,000*	*2,20,62,000*
	11,30,86,332	*12,58,00,108*	*15,63,48,048*	*14,56,61,000*	*16,96,83,000*	*18,77,90,000*
(*b*) Irrigation:						
(*i*) India	*8,83,915*	*9,25,348*	*12,18,481*	*9,51,000*	*10,76,000*	*10,88,000*
(*ii*) England	*50,000*	*51,000*	...	...	...	...
	9,33,915	*9,76,348*	*12,18,481*	*9,51,000*	*10,76,000*	*10,88,000*
(*c*) Posts and Telegraphs	...	...	*56,81,015*	*66,00,000*	*62,05,000*	*68,28,000*
(*d*) Provincial Governments	*2,71,36,535*	*2,81,76,443*	*2,58,41,800*	*2,99,73,000*	*3,10,54,000*	*4,00,15,000*
Total deduction	*14,11,56,782*	*15,49,52,899*	*18,90,89,344*	*18,31,85,000*	*20,80,18,000*	*23,57,21,000*
Interest on Ordinary Debt	7,77,44,974	9,00,17,753	11,09,00,946	9,92,46,000	9,62,99,000	11,79,52,000
Interest on other Obligations—						
1. India—						
On Savings Bank Balances	1,40,92,437	1,73,17,939	...	2,24,81,000	2,20,61,000	2,43,13,000
Other items	46,18,701	42,31,496	...	98,82,000	94,40,000	77,94,000
	1,87,11,138	2,15,49,435	2,60,97,497	3,23,63,000	3,15,01,000	3,21,07,000
2. England	...	...	...	...	60,000	36,000
3. Exchange	...	...	...	...	30,000	18,000
TOTAL	1,87,11,138	2,15,49,435	2,60,97,497	3,23,63,000	3,15,91,000	3,21,61,000
Sinking Funds—						
1. India	73,00,000	73,00,000	1,54,00,000	1,54,00,000	1,54,00,000	1,54,00,000
2. England	50,00,000	50,00,000	50,00,000	50,00,000	50,00,000	44,29,000
3. Exchange	...	...	25,71,571	...	25,00,000	22,15,000
TOTAL	1,23,00,000	1,23,00,000	2,29,71,571	2,04,00,000	2,29,00,000	2,20,44,000
TOTAL	10,87,56,112	12,38,67,188	15,99,70,014	15,20,09,000	15,07,90,000	17,21,57,000
Debt outstanding on 31st March—	£	£	£	£	£	£
Sterling	192,631,082	191,329,245	205,128,482	224,257,445	236,679,482	251,820,282
Rupee Debt—	R	R	R	R	R	R
Permanent Debt—						
New Loan	...	...	...	25,00,00,000	...	25,00,00,000
6 per cent. Bonds	...	29,35,34,700	78,48,75,900	78,48,50,700	1,25,35,50,900	1,25,35,50,900
5½ per cent. War Bonds	86,83,19,138	58,67,75,410	39,37,38,400	31,76,43,600	31,65,38,400	29,31,35,400
5 per cent. debt	45,96,52,000	45,28,51,700	43,48,64,175	41,50,33,700	41,57,00,175	39,80,20,175
4 per cent. „	17,36,92,100	17,24,87,200	17,12,87,200	17,00,87,200	14,81,20,200	11,94,01,200
3½ per cent. „	1,19,07,99,465	1,19,12,88,891	1,19,18,45,533	1,19,18,56,891	1,19,25,27,533	1,19,28,27,533
3 per cent. „	6,61,57,750	6,55,80,050	6,49,05,450	6,48,80,050	6,41,05,450	6,37,55,450
Other debt	1,00,13,500	1,00,13,500	1,00,13,488	1,00,13,500	1,00,13,488	1,00,13,488
Treasury Bills—						
Issued to public	42,89,00,000	43,67,10,000	53,96,70,000	42,34,10,000	21,05,70,000	15,55,70,000
Issued to Paper Currency Reserve	10,09,00,000	61,26,00,000	57,69,00,000	46,74,54,000	49,65,00,000	49,65,00,000
Savings Bank Balances	41,19,82,242	44,99,23,394	49,90,71,997	54,72,71,394	54,09,94,997	59,42,00,997
Post Office Cash Certificates	5,75,31,356	4,77,78,756	4,34,35,524	2,34,34,756	3,12,35,524	2,65,35,524

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Interest on Ordinary Debt.

Revised, 1922-23.

33. The gross charges on account of interest on debt show a saving of R1,96·04 lakhs as compared with the Budget after allowing for loss by exchange on the expenditure in England which the Budget did not include. Though the borrowings both in India and in England have been larger than the amounts budgeted for, a full half year's interest in respect of the greater part of these does not fall due within the current year. The success of these borrowings has, moreover, made it possible to fund a substantial portion of the floating debt and the payment of interest for short periods in respect of the loans raised during the year is much less than that which would have been payable for the replacement of the treasury bills discharged.

Budget, 1923-24.

34. In the Budget for 1923-24 provision has been made for a full year's interest on the rupee loan of R47 crores and the sterling loans of £32½ millions raised in the current year. A sum of R80 lakhs has been set aside for the service of the rupee loan and £475,000 for the service of the sterling loan to be floated in the coming year and R3,13 lakhs for discount on treasury bills; of the latter, R2,20 lakhs will be required for the replacement of the Indian treasury bills held in the Paper Currency Reserve. The balance of R93 lakhs will be available for meeting the discount on the treasury bills which it is anticipated will be sold to the public during the course of 1923-24 in partial replacement of those issued in the current year. Allowance has been made for the discharge of the War Bonds, 1923, amounting to R1½ crores and the terminable loan of 1915-16 amounting to R2¾ crores, both of which are due for payment next year, and provision has been entered in England for the dividends due on the undischarged balance of India's share of the British war debt.

Transfers to Commercial Departments and Provincial Governments.

35. The amount of interest transferred to the accounts of the commercial departments depends, firstly, on the capital expenditure; secondly, on the actual payment of interest on that portion of the debt which has been incurred specifically on account of the construction or purchase of Railways; and, thirdly, on the rate at which interest is charged on that portion of the debt which has not been specifically raised for the above or other purpose. The present procedure is to charge to railways, posts and telegraphs and irrigation works, in respect of that portion of the debt which has not been incurred specifically for these works, interest on capital expenditure incurred to the end of 1916-17 at the rate of interest specified in the Devolution Rules and interest on capital outlay in subsequent years at the average rate paid on borrowings in that period. The variation in the amount of interest to be transferred to railways and posts and telegraphs in the Revised estimates of the current year as compared with the Budget figures is the result of fluctuations in the rates of interest and in the capital outlay on which the interest is calculated. The increase in the Budget estimate of 1923-24 is almost wholly due to the progress of the capital expenditure. The Budget estimates of 1923-24 for recoveries from Provincial Governments allows for a full year's interest on the loans granted to them by the Central Government during the current year.

Revised, 1922-23.

Budget, 1923-24.

Interest on other Obligations.

Revised, 1922-23.

36. The discharge of Post Office Cash Certificates has not been on the scale anticipated and the payment of bonus will therefore be R14 lakhs less than the Budget for the current year. There will also be a decrease of R3·30 lakhs in interest on Post Office Savings Bank deposits. The above savings will be partly set off by a payment of R4·30 lakhs on account of interest on the surplus proceeds deposited with the Government of India of the loan raised last year by the Government of the United Provinces and an arrear payment of interest on certain loans (R4·05 lakhs). The Budget for 1923-24 includes an increased provision for interest charges following on the growth of the balances of provident fund and other accounts. On the other hand, the payments of bonus on Post Office Cash Certificates are expected to be less than the Revised estimate for the current year by R16 lakhs.

Budget, 1923-24.

Sinking Funds.

37. The variation in the Budget for 1923-24 as compared with the Revised estimate for the current year is due to the adoption of a system of equated payments for the discharge of the remaining portion of the liability assumed by India in respect of the British war debt. This does not, however, involve any material alteration in the aggregate amount of interest and sinking fund charges relating to this liability.

29.—POLITICAL.

	Actuals, 1919-1920.	Actuals, 1920-1921.	Actuals, 1921-1922.	1922-1923. Budget.	1922-1923. Revised.	Budget, 1923-1924.
	R	R	R	R	R	R
India General	1,85,67,638	2,07,60,998	19,61,412	72,21,000	67,83,000	65,79,000
Delhi	...	580	520	1,000	1,000	1,000
Baluchistan	32,54,513	36,56,704	37,50,391	42,25,000	39,69,000	40,64,000
North-West Frontier	48,69,600	45,91,492	50,95,749	1,18,51,000	70,41,000	99,34,000
Madras	1,50,862	1,33,889	1,81,301	1,56,000	1,51,000	1,64,000
Bombay	12,52,696	12,87,515	12,51,243	13,88,000	12,73,000	12,25,000
Bengal	25,963	34,916	21,905	34,000	23,000	17,000
United Provinces	1,80,165	1,78,333	1,93,651	1,97,000	1,99,000	2,01,000
Punjab	6,37,932	6,53,398	6,69,248	7,30,000	6,54,000	6,54,000
Burma	12,24,933	14,99,710	62,83,962	17,01,000	60,68,000	59,00,000
Bihar and Orissa	79,279	81,560	90,230	95,000	95,000	93,000
Central Provinces	35,218	44,307	40,045	35,000	35,000	1,27,000
Assam	3,27,824	3,84,096	17,80,389	4,35,000	17,81,000	18,24,000
Total	3,06,66,623	3,33,07,498	2,13,20,046	2,80,69,000	2,80,73,000	3,07,83,000
England	7,07,100	9,80,370	8,20,122	8,30,000	6,51,000	4,72,000
Exchange	...	...	4,21,801	...	3,26,000	2,36,000
Total	3,13,73,723	3,42,87,868	2,25,61,969	2,88,99,000	2,90,50,000	3,14,91,000

Revised, 1922-23.

38. The Budget estimate of the North-West Frontier Province for the current year included a provision of R60·45 lakhs for special civil expenditure in connection with the Waziristan scheme. Owing, however, to a part of the expenditure being thrown forward to the next year, it is now estimated that the above provision will be utilised only to the extent of R25½ lakhs of which R14 lakhs will be recorded under this head and the balance under "Civil Works." The increases under Burma and Assam are nominal, being due to the exhibition under this head of the contributions to those Governments towards the charges on the North-East Frontier hitherto classified under "Miscellaneous Adjustments between the Central and Provincial Governments." The Budget Estimate for 1923-24 provides R91·30 lakhs for special civil expenditure in Waziristan of which R39 lakhs is included under this head and the balance under "Civil Works." Provision is also made for additional companies of the Zhob levy corps in Baluchistan and for the supply of arms and ammunition to the militias in the North-West Frontier Province.

Budget, 1923-24.

XXIX AND 40.—EXCHANGE.

	Actuals, 1919-20.	Actuals, 1920-21.	Actuals, 1921-22.	1922-23.		Budget, 1923-24.
				Budget.	Revised.	
	R	R	R	R	R	R
Revenue . .	...	...	...	...	...	
Expenditure . .	...	3,23,39,526	...	9,95,50,000	50,00,000	

39. Since the 1st April 1920, the accounts have been prepared on the basis of the rate of 2*s.* per rupee for the conversion of rupee transactions into sterling and *vice versâ*. The sterling value of the rupee has however fluctuated largely since that date, the average rate for the current year being expected to work out at slightly below 1*s.* 4*d.* In consequence of these variations from the 2*s.* rate, large sums have to be brought to account as credits or debits on account of exchange in respect of transactions involving remittances of funds to and from the Secretary of State.

40. The following table shows the debits for exchange in respect of remittance and allied transactions which are expected to be brought to account in the current and next years, the estimates for next year being based on the assumption of an average rate of exchange of 1*s.* 4*d.* during the year :—

	(In lakhs of Rupees.) 1922-23.	1923-24.
(*i*) Remittances from India for financing the Home Treasury	1,18	14,00
(*ii*) Bills and telegraphic transfers drawn by Mesopotamia for payment in India against recoveries in England	1,41	1,37
(*iii*) Excess in the assets of the Gold Standard Reserve over £40 millions, which are applicable to the reduction of created securities in the Paper Currency Reserve in India	72	...
(*iv*) Purchase of sterling by the Secretary of State from local bodies against payment to the latter in India	81	...
(*v*) Sterling money order and other miscellaneous transactions	1,07	98
Total .	5,19	16,35

41. The increase against item (*i*) in the Budget for next year is due to the fact that the treasury balances in England will require assistance from India to the extent of £28 millions against £2½ millions only in the current year. There is no entry in the Budget against item (*iii*) as the excess in the assets of the Gold Standard Reserve over £40 millions is proposed to be credited to Revenue in 1923-24. The Revised estimate against item (*iv*) is explained by the fact that certain local bodies raised sterling loans in England and were paid the rupee equivalent in India against the transfer of the proceeds of the loans to the Secretary of State.

42. The procedure adopted hitherto for the allocation between different heads of exchange gains and losses has been as follows. All exchange gains and losses arising in respect of remittance transactions are recorded in the first instance under a suspense head; the portion attributable to the revenue and capital accounts in respect of outlay incurred in England is calculated every month on the basis of the average of the daily telegraphic transfer rates from Calcutta on London and transferred to these accounts; and it is considered with reference to the circumstances of each year whether the balance remaining under the suspense head after these transfers are made should be written off to revenue or kept in suspense against the possibility of opposite results in succeeding years. The portion of the exchange gain or loss attributable to the revenue account which relates to outlay in

England on behalf of commercial services (Railways, Irrigation works and Posts and Telegraphs) and to expenditure of Provincial Governments is debited to the commercial heads and Provincial Governments concerned, the balance of the gain or loss pertaining to the revenue account being shown under the general revenue or expenditure head "Exchange". With effect, however, from the accounts for 1921-22, the exchange relating to the revenue account is being distributed over the individual heads of revenue and expenditure concerned, both commercial and non-commerical, and there should, therefore, ordinarily be no entry against the revenue or expenditure head "Exchange".

43. The Revised estimates for the current year were framed on the assumption of an average rate of exchange of 1*s.* 4*d.* during the current year, but as the average rate for the year is now expected to be slightly less, the aggregate difference amounting to ₹50 lakhs in respect of the net expenditure in England in the current year has been entered in lump under the expenditure head "Exchange" in the Revised estimate so as not to disturb the estimates already worked out under the several heads of account.

44. The following table shows the amounts chargeable to the revenue, capital and other heads during the current and next years on account of losses from exchange and the balance remaining under the suspense head after such allocation :—

	(In lakhs of rupees.) 1922-23.	1923-24.
Transferred to—		
Capital heads (Railways and Delhi)	5,43	9,55
Provincial Governments	1,10	1,14
Revenue account (net as detailed in statements A. and B)	15,62	14,37
Total transfers	22,15	25,06
Appropriation of loss to revenue and capital in excess of actual loss on remittances	16,96	8,71
Net credit under suspense head for two years together	25,67	

45. Taking into account a debit of ₹11,48 lakhs which remained outstanding under the suspense head at the end of 1921-22, it is expected that there will be an outstanding credit balance of ₹14,19 lakhs at the end of 1923-24 awaiting clearance in subsequent years.

XXXVI AND 48.—ARMY.

Expenditure.		Actuals, 1919-20.	Actuals, 1920-21.	Actuals, 1921-22.	1922-23. Budget.	1922-23. Revised.	1923-24, Budget.
		R	R	R	R	R	R
India—							
Part A—Standing Army. *Effective Services.*							
Maintenance of the Standing Army		71,50,23,828	67,53,52,602	31,54,57,826	32,53,12,840	30,59,03,000	31,30,55,530
Cost of Educational, etc., establishments and Working expenses of Hospitals, Depôts, etc.				11,86,56,841	8,41,66,420	8,38,43,000	8,72,92,700
Army Headquarters, Staff of Commands, etc.				2,50,64,010	1,83,08,200	2,03,81,000	2,02,82,720
Stock Account				—7,32,55,962	32,25,920	—2,73,94,000	—3,11,41,500
Special Services				3,40,35,980	1,98,64,190	5,01,06,000	1,42,11,580
Miscellaneous Charges				1,00,57,648	2,99,21,930	2,44,73,000	1,85,64,970
Unadjusted Expenditure		—15,76,279	35,45,549	...	...	...	...
TOTAL—*EFFECTIVE*	R	71,34,47,549	67,88,98,151	48,69,16,343	48,07,99,500	45,73,12,000	42,22,66,000
NON-EFFECTIVE SERVICES	R	1,81,77,280	2,48,11,966	3,65,55,901	5,53,69,500	5,89,32,000	5,48,27,000
Exchange on Home expenditure		3,27,31,820	5,45,96,910	5,96,05,751	...	...	...
Part B.—Auxiliary and Territorial Forces	R	...	...	69,40,941	1,18,86,000	1,06,46,000	1,07,54,000
Part C.—Royal Air Force	R	...	...	71,28,591	1,11,30,000	1,25,84,000	1,34,54,000
TOTAL INDIA	R	76,43,56,649	75,83,07,027	59,11,47,527	55,91,85,000	53,94,74,000	50,13,01,000
Expenditure.		£	£	£	£	£	£
England—							
Part A—Standing Army. *Effective Services.*							
Maintenance of the standing Army		3,563,204	3,223,355	4,051,609	4,287,700	3,247,200	2,937,500
Cost of Educational, etc., establishments and working expenses of Hospitals, Depots, etc.		...	165,179	669,788	752,400	820,700	191,700
Army Headquarters, Staff of Commands, etc.		...	...	2,508	...	53,000	51,000
Stock account		...	2,395,847	2,011,176	1,441,100	1,493,400	1,441,300
Special services		...	899,104	241,184	...	1,050,400	415,000
Miscellaneous charges		...	1,049,752	930,082	1,038,700	652,900	633,500
TOTAL—*EFFECTIVE*	£	3,563,204	7,733,237	7,906,347	7,519,900	7,317,600	5,670,000
NON-EFFECTIVE SERVICES	£	2,983,160	3,186,145	3,336,836	3,752,700	3,453,000	3,563,000
Part C.—Royal Air Force—		...	...	346,183	297,000	933,100	486,500
TOTAL ENGLAND	£	6,546,364	10,919,382	11,589,366	11,569,600	11,703,700	9,719,500
	R	6,54,63,640	10,91,93,820	11,58,93,660	11,56,96,000	11,70,37,000	9,71,95,000
TOTAL—EXPENDITURE	R	82,98,20,289	86,75,00,847	70,70,41,187	67,48,81,000	65,65,11,000	59,84,96,000
Receipts.							
India	R	3,18,80,561	5,33,19,374	4,91,87,122	4,71,71,000	3,41,81,000	2,27,51,000
England	£	294,386	364,866	2,323,538	938,000	849,500	397,800
	R	29,43,860	36,48,660	2,32,35,380	93,80,000	84,95,000	39,78,000
TOTAL RECEIPTS	R	3,48,24,421	5,69,68,034	7,24,22,502	5,65,51,000	4,26,76,000	2,67,29,000
TOTAL NET EXPENDITURE	India R	73,24,76,088	70,49,87,653	54,19,60,405	51,20,14,000	50,52,93,000	47,85,50,000
	England R	6,25,19,780	10,55,45,160	9,26,58,280	10,63,16,000	10,85,42,000	9,32,17,000
	TOTAL R	79,49,95,868	81,05,32,813	63,46,18,685	61,83,30,000	61,38,35,000	57,17,67,000

NOTE.—Exchange on Home charges and receipts (*i.e.* difference between sterling figures converted at £1= R15 and £1=R10) has been added throughout to the Indian figures, the additions from 1922-23 being made to the various sub-heads.

46. The net Army expenditure in 1922-23 is now estimated at Rs. 61,38·35 lakhs against a corresponding Budget provision of Rs. 61,83·30 lakhs. The reduction of Rs. 44·95 lakhs is made up of a decrease of Rs. 67·21 *Revised, 1922-23, compared with Budget, 1922-23.*

lakhs in expenditure in India and an increase of Rs. 22·26 lakhs in expenditure in England.

India.

47. The decrease of R67·21 lakhs in India is the net result of several variations up and down, the more important of which are given below :—

(Lakhs of Rupees.)

Decrease.

(*i*) Continued shortage in strengths of fighting and ancillary services	1,34
(*ii*) Reduction in the charges of hospitals owing to a fall in the rate of sickness and in the cost of diets	60
(*iii*) Fall in prices of foodstuffs and other consumable military stores and larger consumption of surplus stocks	1,30
(*iv*) Lapse in the grant for the Territorial Force	10
(*v*) Larger receipts from sale of ordnance and other stores	25
(*vi*) Utilisation of a portion of the provision made for the purchase of stores in the Indian Section of the Royal Air Force Budget, as well as of the unallotted reserve in the Budget, for the purchase of aviation stores in England	31
	3,90

Increase.

(*i*) Larger loss by exchange on expenditure in England, due to increase in the latter as compared with the Budget provision	11
(*ii*) Increase in expenditure on Waziristan occupation and operations, owing to a continuance of unsettled conditions	1,40
(*iii*) Expenditure on maintenance and retirement of surplus officers and troops	1,21
(*iv*) Increase in Non-effective charges	50
	3,22
Net decrease	68

England.

48. The principal items contributing to the increase of Rs. 22·26 lakhs in England are :—

(Lakhs of Rupees.)

Increase.

(*i*) Payment to His Majesty's Government of a share of cost of disbandment of British troops which had become surplus consequent on reductions in the Indian establishment	80
(*ii*) Larger expenditure on stores, met by transfers from Indian estimates	18
(*iii*) Increase in pension charges	4
	1,02

Decrease.

(Lakhs of Rupees.)

(*i*) Smaller expenditure on furlough and leave allowances	23
(*ii*) Smaller payment of marriage allowances and allotments to families of British soldiers and airmen	22
(*iii*) Lapse of the provision for non-recurring payment to the War Office in respect of exchange concession in connection with the issue of sterling war gratuities in certain cases, as a settlement is not likely to be arrived at in the matter in 1922-23	25
(*iv*) Smaller expenditure in England in connection with the retirement of surplus officers of the Indian Army to be retired	9
	79
Net increase	23

49. Of the sum of R62 crores allotted in the Budget for 1923-24 to meet the net expenditure on Military Services, R57,17·67 lakhs will be available for expenditure under the "Army" head, made up of R47,85·50 lakhs for expenditure in India and R9,32·17 lakhs in England. The former figure includes R4,66·09 lakhs on account of Exchange on net expenditure in England and R100·5 lakhs for special expenditure in Waziristan. The English expenditure includes £415,000 for the retirement of surplus officers of the Indian Army. *Budget, 1923-24.*

50. As compared with Budget for 1922-23, there is a decrease of R4,65·63 lakhs made up of R3,34·64 lakhs in India and R1,30·99 lakhs in England. *Budget, 1923-24, compared with Budget, 1922-23.*

51. As compared with the Revised estimate for 1922-23, there is a decrease of R4,20·68 lakhs of which R2,67·43 lakhs occurs in India and R1,53·25 lakhs in England.

XXXVII AND 49—MARINE.

		Actuals, 1919-1920.	Actuals, 1920-1921.	Actuals, 1921-1922.	1922-1923. Budget.	1922-1923. Revised.	Budget, 1923-1924.
EXPENDITURE.							
India	R	1,16,88,595	1,11,87,620	1,31,11,067	1,10,70,000	1,02,53,000	71,46,000
England	£	889,655	573,488	406,556	465,200	259,400	249,000
	R	88,96,550	57,34,883	40,65,560	46,52,000	25,94,000	24,90,000
Total Expenditure	R	2,05,85,145	1,69,22,503	1,71,76,627	1,57,22,000	1,28,47,000	96,36,000
RECEIPTS.							
India	R	40,72,325	79,56,768	55,91,868	20,23,000	35,85,000	21,29,000
England	R	...	...	5,33,790	...	...	...
NET EXPENDITURE India	R	76,16,270	32,30,852	75,19,199	90,47,000	66,68,000	50,17,000
England	R	88,96,550	57,34,883	35,31,770	46,52,000	25,94,000	24,90,000
Total	R	1,65,12,820	89,65,735	1,10,50,969	1,36,99,000	92,62,000	75,07,000

NOTE.—Exchange on Home charges and receipts (*i.e.*, difference between sterling figures converted at £1=R15 and £1=R10) has been added throughout to the Indian figures.

52. The reduction in net expenditure of Rs. 44·37 lakhs which is now anticipated is explained below :— *Revised, 1922-23, compared with Budget, 1922-23.*

	(Lakhs of Rupees.)
(*i*) Recoveries from His Majesty's Government in respect of hire of Royal Indian Marine vessels employed on transport work for them	14
(*ii*) Smaller expenditure in England chiefly on account of purchase of stores	20
(*iii*) Decrease in Exchange on Home expenditure, consequent on a reduction in the latter	10
	44

53. Budget for 1923-24 has been fixed at R75·07 lakhs, and is R61·92 lakhs less than the Budget for 1922-23 and R17·55 lakhs less than the Revised estimate for that year. The reduction is mainly due to absence of provision for the three Royal Indian Marine transports which, it is intended to scrap, and to other measures of retrenchment. *Budget, 1923-24, compared with Budget, 1922-23, and Revised, 1922-23.*

XXXVIII AND 50—MILITARY WORKS.

		Actuals, 1919-1920.	Actuals, 1920-1921.	Actuals, 1921-1922.	1922-1923. Budget.	1922-1923. Revised.	1923-1924, Budget.
EXPENDITURE.							
India	R	5,87,18,959	5,47,28,975	5,18,29,610	4,65,42,000	4,98,76,000	4,18,50,000
England	£	1,17,609	1,27,255	1,21,944	48,500	1,74,500	50,500
	R	11,76,090	12,72,559	12,19,440	4,85,000	17,45,000	5,05,000
TOTAL	R	5,98,95,049	5,60,01,534	5,30,49,050	4,70,27,000	5,16,21,000	4,23,55,000
RECEIPTS.							
India	R	16,27,429	16,83,464	21,45,676	15,30,000	38,40,000	16,29,000
TOTAL NET EXPENDITURE. India	R	5,70,91,530	5,30,42,511	4,96,83,934	4,50,12,000	4,60,36,000	4,02,21,000
England	R	11,76,090	12,72,559	12,19,440	4,85,000	17,45,000	5,05,000
TOTAL	R	5,82,67,620	5,43,15,070	5,09,03,374	4,54,97,000	4,77,81,000	4,07,26,000

NOTE.—Exchange on Home charges (*i.e.*, difference between sterling figures converted at £ 1=Rs. 15 and £1= Rs. 10) has been added throughout to the Indian figures.

Revised, 1922-23, compared with Budget, 1922-23.

54. The increase of R22·84 lakhs in net expenditure is mainly due to larger outlay on roads, etc., in Waziristan, which is now likely to amount to R72 lakhs against R40 lakhs provided in the Budget, partly counterbalanced by an increase in receipts from sale of lands, etc.

Budget, 1923-24, compared with Budget, 1922-23.

55. Of the net grant of R62 crores for military services for 1923-24, it is proposed to allot R4,07·26 lakhs to Military Works Services. This provision includes R69 lakhs for special expenditure in Waziristan. The decrease of R47·71 lakhs as compared with the Budget provision for 1922-23 is made up of an increase of R29 lakhs in the grant for special works in Waziristan, (2) a reduction of about R55 lakhs in the scale of works in India, (3) the transfer to the Royal Air Force Section of the Army estimates of provision for works expenditure connected with the Force for which about R12 lakhs were included in the Budget for 1922-23 and (4) a reduction of R10 lakhs in the stocks of stores.

Budget, 1923-24, compared with Revised, 1922-23.

56. Budget for 1923-24 is less than the Revised estimate for 1922-23 by R70·55 lakhs.

MILITARY SERVICES: SUMMARY.

		Actuals, 1919-1920.	Actuals, 1920-1921.	Actuals, 1921-1922.	1922-1923. Budget.	1922-1923. Revised.	Budget. 1923-1924.
EXPENDITURE.							
India . .	₹	83,47,64,203	82,42,23,622	65,60,88,204	61,67,97,000	59,96,03,000	55,02,97,000
England . .	£	7,553,628	11,620,125	12,117,866	12,083,300	12,137,600	10,019,000
	₹	7,55,36,280	11,62,01,259	12,11,78,660	12,08,33,000	12,13,76,000	10,01,90,000
Total Expenditure	₹	91,03,00,483	94,04,24,881	77,72,66,864	73,76,30,000	72,09,79,000	65,04,87,000
RECEIPTS.							
India . .	₹	3,75,80,315	6,29,62,606	5,69,24,666	5,07,24,000	4,16,06,000	2,65,09,000
England . .	£	294,386	364,866	2,376,917	938,000	849,500	397,800
	₹	29,43,860	36,48,660	2,37,69,170	93,80,000	84,95,000	39,78,000
Total Receipts .	₹	4,05,24,175	6,66,11,266	8,06,93,836	6,01,04,000	5,01,01,000	3,04,87,000
NET EXPENDITURE — India	₹	79,71,83,888	76,12,61,016	59,91,63,538	56,60,73,000	55,79,97,000	52,37,88,000
NET EXPENDITURE — England	₹	7,25,92,420	11,25,52,599	9,74,09,490	11,14,53,000	11,28,81,000	9,62,12,000
NET EXPENDITURE — Total	₹	86,97,76,308	87,38,13,615	69,65,73,028	67,75,26,000	67,08,78,000	62,00,00,000

57. In the Budget estimate for 1922-23, a grant of ₹67,75·26 lakhs was allotted for net expenditure on military services. This figure was made up as follows:—

	Lakhs of rupees.
(1) For special expenditure in Waziristan . . .	2,13,00
(2) For retirement of surplus officers	52,50
(3) For established charges of the Army (net) . . .	65,09,76
	67,75,26

58. The Revised estimate falls short of the Budget provision by ₹66·48 lakhs. Special expenditure in Waziristan will exceed the Budget allotment by ₹1,72 lakhs, owing to a continuance of unsettled conditions and a larger outlay on the construction of roads. The expenditure on the retirement of surplus officers and demobilisation of surplus troops will be higher by ₹2,28 lakhs, in consequence of an accelerated progress with the retirement of surplus officers and the payment to the War Office of India's share of the charges connected with the disbandment of British troops which had become surplus consequent on reductions in the Indian establishment. On the other hand, the established charges (net) will be less than the Budget provision by about ₹4¾ crores owing chiefly to a continued shortage of personnel in the fighting and other services (1,34 lakhs); smaller payments in England on account of leave allowances and marriage allowances of British troops (67 lakhs); fall in prices of foodstuffs and other consumable military stores and larger consumption or disposal of stocks (210 lakhs); fall in the sick rate among soldiers and in the cost of diets (60 lakhs); lapse of the provision for payment to the War Office in respect of exchange concession in connection with the issue of sterling war gratuities to British troops in certain cases (38 lakhs); and a saving in the grant for the Territorial Force (10 lakhs). Non-effective charges will, however, exceed the Budget estimate by ₹56 lakhs. In these explanations sterling expenditure has been converted into rupees at £1=₹15.

59. A grant of ₹62 crores has been allotted for net expenditure on Military Services in 1923-24 made up as follows:—

	Lakhs of ₹.
(1) For special expenditure in Waziristan	1,69·50
(2) For retirement of surplus officers and personnel . .	73·47
(3) For established charges of the Army (*net*) . . .	59,57·03
	62,00·00

60. The grant for the established charges allows for certain automatic reductions in expenditure owing to fall in prices, etc. It provides for consumption or disposal of surplus stores of various classes to the extent of about ₹2 crores; and it takes into account various economies which have already been introduced or are likely to be introduced in the course of the ensuing year.

61. The proposed grant for net expenditure on Military Services in 1923-24 is less than the Budget for 1922-23 by ₹5,75·26 lakhs, and less than the Revised estimate for 1922-23 by ₹5,08·78 lakhs.

WAYS AND MEANS.

HOME TREASURY.

62. The bulk of the payments made in England on account of the Government of India consists normally of expenditure chargeable to the Indian revenues; and if such payments represented the only transactions, the Ways and Means programme would be a simple arrangement, as the whole of the expenditure would ordinarily be met by remittance of funds from India. The capital outlay on the construction of railways, however, necessitates heavy borrowing and a large portion of the money required has, when practicable, been raised in England, either direct or through the agency of Companies. Operations, connected with the Gold Standard and Paper Currency Reserves, and with the replacement of one particular form or item of direct or indirect debt by another further largely swell the receipts and charges of the Home treasury without affecting ordinarily the general Ways and Means programme. Recoveries are also being effected by the Secretary of State against the drawings of the Iraq administration on India, and to a smaller extent against disbursements made in India on behalf of His Majesty's Government. These recoveries represent in effect remittances from India to finance the Home treasury and reduce the amount of direct remittances which would otherwise be necessary.

63. The following is a summary of the transactions appearing in the Budget and Revised estimates of the Home Treasury for 1922-23, and in the Budget estimate of 1923-24:—

	Budget, 1922-23.	Revised, 1922-23.	Budget, 1923-24.
RECEIPTS.			
(1) Capital contributed by Railway Companies—	£	£	£
For discharge of debentures	175,000	—221,500	...
(2) Deposits and Advances	—82,400	141,900	—358,000
(3) Remittance Account between England and India—			
(*a*) War transactions: Recoveries from War Office	5,600,000	1,859,500	1,200,000
(*b*) Postal and Money Order transactions	750,000	350,000	450,000
(*c*) Recoveries on account of drawings by Iraq administration on India	6,000,000	2,664,000	2,750,000
(*d*) Transfer to Home Treasury from Gold Standard Reserve	10,500,000	...	...
(*e*) ,, ,, ,, Paper Currency Reserve	5,846,800	...	...
(*f*) Purchase of sterling from local bodies	...	1,501,400	...
(*g*) Other transactions	1,498,100	1,090,500	18,800
Total Receipts, excluding Council Bills and Loans	30,287,500	7,385,800	4,060,800
DISBURSEMENTS.			
(4) Excess of Expenditure of the Central Government over Revenue	30,338,800	30,252,100	28,742,300
(5) Expenditure incurred on behalf of Provincial Governments	2,394,400	2,198,100	2,288,600
(6) Capital Expenditure not charged to Revenue—			
(*a*) Outlay on State Railways	18,460,000	10,448,000	19,000,000
(*b*) Outlay on Irrigation Works and Delhi	181,000	185,800	85,800
Total Disbursements	51,374,200	43,084,000	50,116,700
NET DISBURSEMENTS	21,086,700	35,698,200	46,055,900
Financed as follows—			
Remittances from India	...	...	28,000,000
Debt incurred	18,328,200	31,551,000	15,140,600
Council Bills	...	2,570,000	...
Reduction of cash balance	2,758,500	1,577,200	2,915,100
Total	21,086,700	35,698,200	46,055,900
Opening Balance	7,004,800	8,995,300	7,418,100
Closing Balance	4,246,300	7,418 100	4,503,000

Revised, 1922-23.

64. The Revised estimate for the current year provides for a total disbursement by the Secretary of State and the High Commissioner for India of £43·1 millions, the main items being (*i*) £30·3 millions on account of net expenditure of the Central Government in England in excess of revenue, (*ii*) £2·2 millions representing expenditure on behalf of Provincial Governments chargeable to their balances on deposit with the Central Government in India, and (*iii*) £10·4 millions on account of Railway capital outlay.

65. Apart from public borrowings and drawings by Council Bills, the resources available for meeting the above disbursements total £7·4 millions, namely, (*i*) £1·9 millions recovered from the War Office on account of disbursements made on their behalf in India and Mesopotamia: (*ii*) £2·7 millions recovered from the Colonial Office against drawings by the High Commissioner of Mesopotamia which have been met in India; (*iii*) £1·5 million paid to the Secretary of State by certain local bodies in India who raised sterling loans in England and received the rupee equivalent from Government in India; and (*iv*) £1·3 million representing various miscellaneous receipts.

66. The disbursements mentioned above exceed the resources by £35·7 millions, and the deficiency has been met almost entirely from public borrowings. The Secretary of State floated two sterling loans in the current year, a 5½ per cent. loan for £12½ millions at 4 per cent. discount and a 4½ per cent. loan for £20 millions at 15 per cent. discount. He also received about £2½ millions being the balance of the proceeds of the 5½ per cent. loan of £10 millions floated in December 1921. The aggregate loan receipts thus amount to £31·5 millions. Advantage was also taken of the strengthening of exchange in the beginning of January 1923 to place the Secretary of State in funds by the sale of Council Bills. Six weekly sales were effected in January and February of amounts varying from 50 to 75 lakhs a week, and the sale proceeds for the year have totalled £2·6 millions. The Secretary of State will obtain the balance of his requirements from his cash balances which will stand at £7·4 millions on the 31st March 1923 against £9 millions at the beginning of the year.

67. The broad variations in the above programme from that contemplated in the Budget are as follows. The receipts from sterling borrowings were £13·2 millions more and the sale of Councils and the purchase of sterling from local bodies which could not be anticipated in the Budget brought in a further £2·6 and £1·5 millions respectively. The outlay on State Railways is also expected to be about £8 millions less than anticipated. On the other hand, recoveries from the War Office and those on account of Mesopotamian drawings were less by £3·7 and £3·3 millions respectively. The aggregate betterness of £18·3 millions resulting from these variations has not only obviated the necessity for any withdrawals by the Secretary of State from the Paper Currency and Gold Standard Reserves for which £16·3 millions were provided in the Budget, but also enabled him to close the year with a cash balance of £7·4 millions (*i.e.*), £3·2 more than that assumed in the Budget.

Budget, 1923-24.

68. The disbursements by the Secretary of State and the High Commissioner in the coming year are now estimated at £50·1 millions, namely, excess of expenditure of the Central Government over revenue £28·7 millions, expenditure on behalf of Provincial Governments £2·3 millions, Railway capital outlay £19 millions and capital outlay on Irrigation works and Delhi £0·1 million.

69. It is expected that the Secretary of State will recover £1·2 millions from the War Office and £2·8 millions from the Colonial Office on account of disbursements on their behalf in India and Mesopotamia while miscellaneous receipts will amount to £0·1 million—a total of £4·1 millions.

70. The deficiency in resources is thus £46 millions. The estimates provide for its being met to the extent of (*i*) £28 millions by remittances from India in one form or another, (*ii*) £15·1 millions by fresh sterling borrowings in England, and (*iii*) £2·9 millions by a reduction of the cash balances from £7·4 millions at the beginning of 1923-24 to £4·5 at its end. It is not possible to indicate at present the precise form which the remittances from India aggregating £28 millions will take as this must depend on circumstances

from time to time during the year. The figure entered for sterling borrowings is also provisional and discretion is reserved to vary the amount according to circumstances.

71. The following are the details of the transactions of the Gold Standard Reserve in England :— *1922-23 and 1923-24.*

Gold Standard Reserve.

	1922-23. Budget.	1922-23. Revised.	1923-24. Budget.
RECEIPTS.	£	£	£
(*a*) Dividends on investments, discount on treasury bills, interest on loans at short notice, etc. . . .	1,984,100	2,150,900	1,076,300
(*b*) Exchequer Bonds, British treasury bills and Colonial Government securities, etc., paid off . .	118,850,100	139,091,200	140,991,000
Total .	120,834,200	141,242,100	142,067,300
CHARGES.			
Investments made	108,350,100	139,787,200	141,009,000
Appropriation for the reduction of created securities in the Paper Currency Reserve in Budget 1922-23 and in Revised 1922-23 and to Revenue in Budget 1923-24 .	1,984,100	1,454,900	1,058,300
Transfer to Treasury Balances .	10,500,000	...	...
Total .	120,834,200	141,242,100	142,067,300

72. The following statement shows the transactions and balances of the fund in the two years in England and India taken together :—

	Budget, 1922-23.	Revised, 1922-23.	Budget, 1923-24.
	£	£	£
OPENING BALANCE—			
(*a*) Invested (cost price) . . .	39,409,500	39,445,700	40,141,700
(*b*) Uninvested — Cash in the Home treasury placed at short notice . .	4,900	1,800	1,800
	39,414,400	39,447,500	40,143,500
CLOSING BALANCE—			
In England—			
(*a*) Invested (cost price) . .	28,909,500	40,141,700	40,159,700
(*b*) Uninvested— Cash at the Bank of England .	4,900	1,800	1,800
(*c*) Cash in India . . .	10,500,000	...	...
	39,414,400	40,143,500(*a*)	40,161,500(*a*)
Difference between opening and closing balances representing Interest, etc., on investments in England *less* appropriation for the reduction of created securities in the Paper Currency Reserve, or to Revenue (*vide* preceding paragraph) . . .	...	696,000	18,000

(*a*) These figures are based on the cost price of investments for the Reserve. The excess over £40 millions on the basis of current market prices will be appropriated for the reduction of created securities in the Paper Currency Reserve in 1922-23 and to revenue in 1923-24.

INDIA.

73. The following is a summary of the estimates of Ways and Means in India during 1922-23 and 1923-24 :—

	Budget Estimate, 1922-1923.	Revised Estimate, 1922-1923.	Budget Estimate, 1923-1924.
RECEIPTS.	R	R	R
1. Excess of Revenue of the Central Government over Expenditure charged to Revenue	21,17,60,000	12,99,86,000	29,55,09,000
2. Capital contributed by Railway Companies towards outlay on State Railways	8,75,000	—11,07,000	...
3. Unfunded Debt incurred—			
(a) Post Office Cash Certificates (net)	—2,00,00,000	—1,22,00,000	—47,00,000
(b) Savings Bank deposits (net)	5,07,15,000	4,36,31,000	5,50,95,000
4. Other Deposits and Remittances (net)—			
(a) Exchange on Remittance Accounts	11,56,99,000	16,96,05,000	8,70,80,000
(b) Appropriation for reduction of created securities in the Paper Currency Reserve	11,14,46,000	2,17,90,000	...
(c) Other transactions	1,80,09,000	57,84,000	2,64,44,000
5. Balances of Provincial Governments	—1,96,00,000	3,77,18,000	1,08,74,000
TOTAL RECEIPTS EXCLUDING LOANS	46,99,04,000	39,52,07,000	47,03,02,000
DISBURSEMENTS.			
6 Capital Expenditure not charged to Revenue—			
(a) State Railways	11,54,00,000	9,71,25,000	19,63,95,000
(b) Irrigation Works	2,69,000	1,99,000	22,000
(c) Posts and Telegraphs	1,45,00,000	1,10,36,000	94,30,000
(d) Initial expenditure on new Capital at Delhi	1,81,90,000	1,72,93,000	1,88,42,000
7. Permanent Debt discharged (net	9,90,89,000	11,96,49,000	6,98,52,000
8. Floating Debt discharged —			
(a) Treasury bills issued to the public (net)	11,00,00,000	32,91,00,000	5,50,00,000
(b) ,, ,, ,, Paper Currency Reserve (net)	11,14,46,000	8,24,00,000	...
9. Loans to Provincial Governments (net)	5,50,00,000	11,43,11,000	13,46,77,000
10. Loans to Indian States, etc. (net)	—9,74,000	—18,99,000	—6,67,000
11. Remittance account between England and India—			
(a) Transfers through Currency	5,84,68,000	...	...
(b) Transfers through Gold Standard Reserve	10,50,00,000	...	...
(c) Remittances from India for Financing Home Treasury	...	...	28,00,00,000
(d) Drawings by the Iraq administration recoverable in England	6,00,00,000	2,63,70,000	2,75,00,000
(e) Disbursements on behalf of the War Office (net)	4,38,00,000	1,90,00,000	1,20,00,000
(f) Other transactions (net)	1,81,91,000	4,12,53,000	85,88,000
12. Council Bills	...	2,57,00,000	...
TOTAL DISBURSEMENTS	80,83,79,000	88,15,37,000	81,16,39,000
NET DISBURSEMENTS	33,84,75,000	48,63,30,000	34,13,37,000
FINANCED AS FOLLOWS :			
Debt incurred	25,00,00,000	46,86,75,000	25,00,00,000
Reduction of (+) or addition to (—) Treasury Balances	8,84,75,000	1,76,55,000	9,13,37,000
TOTAL	33,84,75,000	48,63,30,000	34,13,37,000
Opening Balance	22,48,10,000	25,66,13,000	23,89,58,000
Closing Balance	13,63,35,000	23,89,58,000	14,76,21,000

74. The following table shows the estimates of total capital outlay of the Central Government, net expenditure of the Central Government charged to revenue, and net transactions of Provincial Governments in the current and next years, and their distribution between India and England :—

(In lakhs of rupees.)

	Revised, 1922-23.			Budget, 1923-24.		
	India inclusive of adjustment for exchange.	England.	Total.	India inclusive of adjustment for exchange.	England.	Total.
(*i*) Capital outlay not charged to revenue—						
(*a*) Railways. . .	9,71	10,45	20,16	19,64	19,00	38,64
(*b*) Irrigation works .	2	...	2	...	...	...
(*c*) Indian Postal and Telegraph Department .	1,10	...	1,10	94	...	94
(*d*) New Capital at Delhi	1,73	18	1,91	1,88	9	1,97
Total .	12,56	10,63	23,19	22,46	19,09	41,55
(*ii*) Net expenditure of Central Government charged to revenue .	—13,00	30,25	17,25	—29,55	28,74	—81
(*iii*) Net drawings of Provincial Governments .	—3,77	2,20	—1,57	—1,09	2,29	1,20
GRAND TOTAL .	—4,21	43,08	38,87	—8,18	50,12	41,94

75. The estimates relating to England shown in the above table have been dealt with in connection with the Ways and Means position of the Secretary of State. Those relating to India will be found in the table in the preceding paragraph summarising the Ways and Means position in India. The total in Revised against item (*ii*) represents the uncovered revenue deficit of the Central Government estimated for that year.

76. The following table shows the assets available for the reduction of created securities in the Paper Currency Reserve in the two years :—

(In lakhs of rupees.)

	Revised, 1922-23.	Budget, 1923-24.
(1) Excess in assets of Gold Standard Reserve over £40 millions	1,45	...
(2) Adjustment for exchange on (1)	73	...
	2,18	...

77. The interest realised on the investments of the Paper Currency Reserve was earmarked for this purpose by the Indian Paper Currency Amendment Act, XLV of 1920; the Indian Finance Act, 1922, however, suspended this provision temporarily for the two years ending 31st March 1923 and the Indian Finance Act, 1923, has suspended it for one year more. Credit for the interest has accordingly been taken to revenue in the current year's Revised and next year's Budget. When the Act of 1920 was before the Legislature, an under-taking was given on behalf of Government that the assets of the Gold Standard Reserve in excess of £40 millions would be applied to the same purpose, but it has now been decided to credit them also to revenue during the next year.

78. The actual cancellation of created securities effected during the year amounted to ₹8,24 lakhs; the excess of ₹6,06 lakhs over the amount stated above as earmarked for this purpose was found from general resources. In consequence of the decision to credit to revenue both the interest on investments in the Paper Currency Reserve and the assets of the Gold Standard Reserve in excess

of £40 millions, no sums will be specifically available next year for the reduction of created securities. The holdings of Indian Treasury bills in the Paper Currency Reserve will stand at R49,65 lakhs at the close of this as well as the next year.

79. The following table summarises the disbursements in India in the current and next years as at present estimated :—

(In lakh of rupees.)

	Revised, 1922-23.	Budget, 1923-24.
(*i*) Discharge of debt other than treasury bills	11,96	6,98
(*ii*) Discharge of treasury bills held by the public	32,91	5,50
(*iii*) Discharge of treasury bills held by the Paper Currency Reserve	8,24	...
(*iv*) Loans to Provincial Governments (net)	11,43	13,47
(*v*) Remittances from India for financing the Home Treasury	...	28,00
(*vi*) Payment of Council Bills	2,57	...
(*vii*) Disbursements on behalf of the War Office recoverable in England	1,90	1,20
(*viii*) Drawings by the Mesopotamian Administration against recoveries in England	2,64	2,75
(*ix*) Miscellaneous deposits, advances and remittances	1,30	—1,84
Total	72,95	56,06

80. The details of the entries against item (*i*) in the preceding paragraph are as follows :—

(In lakhs of rupees.)

	Revised, 1922-23.	Budget, 1923-24.
(*a*) Discharge of debt through purchases for sinking funds	1,92	1,77
(*b*) Annual instalment in repayment of Gwalior 4 per cent. loan of 1887	12	12
(*c*) War Bonds converted into current loan or discharged	7,72	2,34
(*d*) Discharge of 4 per cent. Terminable Loan	2,20	2,75
Total	11,96	6,98

81. The resources available in the two years for meeting the above disbursements are estimated as follows :—

(In lakhs of rupees.)

	Revised, 1922-23.	Budget, 1923-24.
(*i*) Proceeds of rupee loan in India	46,87	25,00
(*ii*) Net receipts from Savings Bank deposits and Post Office cash certificates	3,14	5,04
(*iii*) Net credits from exchange adjustments—*vide* paragraph 44	16,96	8,71
(*iv*) Excess of revenue in India over expenditure including Provincial drawings (net)—*vide* paragraph 74	4,21	8,18
Total	71,18	46,93

1922-23. Rupee loans.

82. The total receipts from the new rupee loan, subscriptions for which were received from the 3rd July to the 14th August 1922, amounted to R46,87 lakhs, inclusive of R1,04 lakhs from the post office section of the loan. War bonds, 1922 of a total value of R3,30 lakhs and treasury bills of a discounted value of R1,23 lakhs were received in payment of subscriptions to the loan. The gross receipts and payments on account of cash certificates are expected to amount to R78 lakhs and R2 crores respectively during the current year, the net payment thus amounting to R1,22 lakhs.

83. As in the case of the sterling borrowings, the entry relating to the proceeds of the rupee loan to be raised next year is provisional and Government reserves discretion to vary the borrowing programme during the year.

84. The following table gives details of the transactions of Savings Banks and Provident Funds during a series of years, and the estimated transactions for 1922-23 and 1923-24:— *Post Office Savings Banks, etc.*

Year.	Securities of Railway Companies' Provident Funds transferred to Government.	Net additions to deposits, cash.	Interest.	Total addition.
1911-12 . . .	...	1,95,69,000	67,79,000	2,63,48,000
1912-13 . . .	...	1,68,26,000	73,79,000	2,42,05,000
1913-14 . . .	..	2,37,05,000	84,07,000	3,21,12,000
1914-15 . . .	...	—8,35,53,000	78,82,000	—7,56,71,000
1915-16 . . .	...	57,38,000	70,96,000	1,28,34,000
1916-17 . . .	...	1,35,61,000	77,07,000	2,12,68,000
1917-18 . . .	4,04,00,000	41,80,000	94,65,000	5,40,45,000
1918-19 . . .	3,38,37,000	2,47,14,000	1,26,65,000	7,12,16,000
1919-20 . . .	...	1,96,68,000	1,40,93,000	3,37,61,000
1920-21 . . .	...	2,06,23,000	1,73,18,000	3,79,41,000
1921-22 . .	2,18,00,000	55,50,000	2,17,99,000	4,91,49,000
1922-23 (Revised) .	...	1,98,62,000	2,20,61,000	4,19,23,000
1923-24 (Budget)	...	2,88,93,000	2,43,13,000	5,32,06,000

85. The Budget estimate assumed that there would be a net deposit of ₹1,00 lakhs into postal savings banks in the current year; it is now expected that there will be a net deposit of ₹41 lakhs. The Budget estimate for 1923-24 provides for a net deposit of ₹1,00 lakhs into postal savings banks and for a growth of ₹1,89 lakhs in the deposits in the various provident funds for Government servants and in the similar funds of railway companies.

86. The disbursements enumerated in paragraph 79 exceed the available resources detailed in paragraph 81 by ₹1,77 lakhs in the current year and ₹9,13 lakhs for next year. The cash balance in India at the end of 1922-23 will thus stand at ₹23,89 lakhs against ₹25,66 lakhs at the beginning of the year and will be reduced to ₹14,76 lakhs by the end of 1923-24. The outstandings of treasury bills with the public amounted to ₹53,97 lakhs on the 1st April 1922; it is expected that they will stand at ₹21,06 lakhs on the 31st March 1923 and at ₹15,56 lakhs on the 31st March 1924.

E. M. COOK.

The 29th March 1923.

APPENDIX I.

EXPLANATORY MEMORANDUM ON THE RAILWAY BUDGET FOR 1923-24.

In accordance with the undertaking given by Government last year in the debate on the Resolution regarding the adoption of the Railway Finance Committee's proposals in respect to the separation of the Railway Budget, this memorandum has been prepared in order to bring out and explain the main features of the railway budget as embodied in the Statements of Demands passed by the Legislature.

PART I.—CAPITAL.

HEAD OF ACCOUNT "53—CONSTRUCTION OF STATE RAILWAYS."

2. In pursuance of the recommendation of the Railway Finance Committee composed of members selected from the Legislative Assembly and the Council of State, it was decided by the Legislative Assembly in March 1922 that the capital programme of railway expenditure should be fixed for five years in advance, provision being made for an expenditure of Rs. 30 crores per annum or a total of Rs. 150 crores during the quinquennium. The programme was to be strictly adhered to subject to the understanding that a war or other unforeseen contingency radically disturbing the money market might render it necessary to curtail the operations of any one year. The whole of this sum was to be devoted to the rehabilitation and improvement of the existing lines, special stress being laid on the improvement of the conditions of travel of third class passengers, and to the completion of lines already in hand. It was also decided that there was to be no lapse of money voted for any one year but not spent within the year, such sums being carried to the credit of the Railway Administrations from year to year to the end of the quinquennium. In accordance with this decision the programme for capital expenditure for the current year was framed for Rs. 30 crores. Owing principally to delay in the delivery of materials and to a smaller extent to fall in prices, the expenditure during the year is expected to fall short of the allotment made. In the latest estimate the expenditure is placed at Rs. 20·16 crores thereby involving a lapse of Rs. 9·84 crores. Out of this a sum of Rs. 8·64 crores only (being the lapse anticipated in the second edition of the estimates) has been carried forward to the year 1923-24, and the remainder will be provided for during the next of the quinquennium. Apart from the special causes already mentioned, the failure to utilise the full grant available in the first year of the new policy is in a large measure attributable to the fact that Railway Administrations had insufficient time to frame their programmes and send forward the necessary orders for material. To this extent it is hoped that measures which have since been taken will provide for the grant being fully utilised in future. The grant for 1923-24 has therefore been fixed at Rs. 38·64 crores made up of—

	Rs.
(*i*) Ordinary grant for the year	30·00 crores.
(*ii*) Carried forward from 1922-23	8·64 „
Total .	38·64 „

3. The details of the total capital expenditure on State Railways worked by the State and Companies in each of the three years from 1921-22 to 1923-24 are as follows :—

Items.		Actuals, 1921-22.	1922-23. Budget.	1922-23. Revised.	1923-24 Budget.
(a) England . .	£	13,564,663	18,460,000	10,448,000	19,000,000
	R	13,56,46,629	18,46,00,000	10,44,80,000	19,00,00,000
(b) India . .	R	2,42,12,734	2,31,00,000	4,48,85,000	10,13,95,000
	R	15,98,59,363	20,77,00,000	14,93,65,000	29,13,95,000
Exchange . . .	R	6,97,79,572	9,23,00,000	5,22,40,000	9,50,00,000
Total .	R	22,96,38,935	30,00,00,000	20,16,05,000	38,63,95,000

4. The following table compares the allotments made for open lines and lines under construction in 1923-24 with figures for previous years :—

Items.	Actuals, 1921-22.	Revised, 1922-23.	Budget, 1923-24.
	Rs.	Rs.	Rs.
(1) Open lines including rolling stock . .	14,55,97,363	12,87,30,000	26,33,48,000
(2) Lines under construction—			
(a) Started in previous years . . .	1,40,38,000	1,95,71,000	2,80,47,000
(b) Started in current year . . .	2,24,000	10,64,000	...
	15,98,59,363	14,93,65,000	29,13,95,000
Exchange	6,97,79,572	5,22,40,000	9,50,00,000
Total	22,96,38,935	20,16,05,000	38,63,95,000

5. The details of the budget grant for 1923-24 by railways are shown below :—

[In thousands of rupees.]

Railway.	Open Lines.			Construction of	
	Rolling Stock.	Other items.	Total.	Lines in progress.	New lines.
State Railways Worked by State.	Rs.	Rs.	Rs.	Rs.	Rs.
1. North-Western Railway :—					
(*i*) Main line	1,94,81	75,67	2,70,48		
(*ii*) Nushki extension	...	6,00	6,00		
(*iii*) Khyber Railway	...	...	...	53,37	
2. Delhi (New Capital) Railway Works Scheme	...	26,00	26,00		
3. Eastern Bengal	61,00	40,00	1,01,00		
4. Oudh and Rohilkhand	55,83	37,33	93,16		
5. Aden Railway	31	39	70		
6. Jodhpur-Hyderabad (British Section)	...	2,87	2,87		
7. Stores Transactions	...	...	...		
Total	3,11,95	1,88,26	5,00,21	53,37	
State Railways Worked by Companies.					
9. Assam Bengal (including land)	39,13	—1,67	37,46		
10. Bengal-Nagpur :—					
(*i*) Open line	1,18,50	1,34,92	2,53,42		
(*ii*) Amda-Jamda	...	...	...	28,33	
(*iii*) Bermo Duneya Section	...	...	...	3,63	
(*iv*) South Karanpura Coal Fields	...	...	..	11,41	
(*v*) Talchir Coal Fields	...	...	...	45,00	
(*vi*) Hesla Chandil	..	...	...	45,00	
11. Bezwada Extension	...	3,86	3,86		
12. Bombay, Baroda and Central India :—					
(*i*) Main line	1,01,93	1,46,57	2,48,50		
(*ii*) Dholka-Dhanduka	...	...	...	4,76	
13. Burma :—					
(*i*) Main line	14,69	15,04	29,73		
(*ii*) Pegu Moulmein and Henzada Kyangin Extensions	21,53	1,25	22,78		
(*iii*) Southern Shan States Railway	...	75	75		
14. East Indian :—					
(*i*) Open line	2,48,56	42,05	2,90,61		
(*ii*) Bermo Duneya Section	...	...	...	2,52	
(*iii*) South Karanpura Coal Fields	...	...	...	10,34	
15. Great Indian Peninsula :—					
(*i*) Main line	2,23,78	53	2,24,31		
(*ii*) Agra-Delhi Chord	...	1,92	1,92		
(*iii*) Bhopal State	...	2,48	2,48		
(*iv*) Cawnpore-Banda	...	95	95		
(*v*) Baran Kotah	...	10	10		
(*vi*) Itarsi-Nagpur	...	..	...	45,36	
(*vii*) Harbour Branch	...	...	...	16,55	
(*viii*) Majri-Rajur	...	...	...	14,20	
16. South Indian :—					
(*i*) Main line	48,39	64,90	1,13,29		
(*ii*) Coonoor-Ootacamund	71	81	1,52		
(*iii*) Tinnevelly-Quilon—British Section	...	1,10	1,10		
(*iv*) Do. Indian State Section	90	20	1,10		
17. Tirhoot	6,85	3,68	10,53		
18. Lucknow-Bareilly	57	1,18	1,75	...	
19. Madras and Southern Mahratta :—					
(*i*) Open line	97,48	47,42	1,44,90		
(*ii*) Guntur Tenali	...	5	5		
(*iii*) Dhone Kurnool	...	5	5		
	9,23,02	4,68,14	13,91,16	2,27,10	...
Reserve	...	78,16	78,16	...	...
	12,34,97	7,34,56	19,69,53	2,80,47	
Exchange	...	...	7,49,37	63	
Total	...	...	27,18,90	2,81,10	...
Carry forward from 1922-23 to be reallotted in 1923-24.	...	...	8,63,95	...	...
Grand total	...	...	35,82,85	2,81,10	...

6. The above figures explain the distribution of the 30 crore allotment for 1923-24. The carry forward Rs. 8·64 crores represents the incomplete portion of the programme to which the Legislature has already accorded approval and which need not therefore be further explained. The distribution of Rs. 30 crores over open line works, rolling stock and new construction is shown below :—

	Rs.	
Open line facilities	18,23·38	lakhs.
Rolling stock	12,34·97	„
New construction	2,81·10	„
Suspense	—3,39·45	„
Total	30,00·00	„

7. *Improved facilities.*—It will be seen that over half the total grant is to be devoted to the improvement of general open line facilities. Under this heading are included larger yards, longer platforms, extensions to stations, double lines and many similar improvements which are so urgently required on every railway in India. Taking the main heads the distribution proposed is as follows :—

	Rs.	
(*a*) Doubling and quadrupling	1,72·56	lakhs.
(*b*) Improved rails and sleepers	1,06·20	„
(*c*) Strengthening of bridges	87·10	„
(*d*) Remodelling of station yards	2,97·64	„
(*e*) Additional quarters for staff	1,75·72	„
(*f*) Workshops and stores buildings	2,53·12	„
(*g*) Plant and machinery	1,71·00	„
(*h*) Sidings, diversions, links, etc.	86·07	„
(*i*) Other works	4,73·97	„
Total	18,23·38	„

(*a*) Doubling and quadrupling.

Of the doubling and quadrupling some of the most important items are on the Bengal Nagpur Railway where it is proposed to spend Rs. 35 lakhs on doubling the Anara-Kandra, Sini-Goilkera, Mohuda-Bhojudih-Gowai and Khargpur Cossye sections in order to provide additional facilities for movement of coal traffic and thereby improve the capacity of the line for all other traffic. Apart from this the Bombay, Baroda and Central India Railway proposes to devote Rs. 40 lakhs to the quadrupling of their suburban section from Grant Road to Borivli where there has been congestion for some time. The East Indian Railway proposes to spend about half a crore of rupees mostly on the Grand Chord doubling which will considerably relieve the congestion now occurring all over the main line. The North-Western Railway will double the sections between Deona and Chak Pirana, also from Dina to Domeli and Mandra to Gujar Khan and propose to spend Rs. 14 lakhs on these works. The South Indian Railway will spend Rs. 9½ lakhs on the doubling of Madras-Tambaram section. The Burma Railways propose to spend Rs. 19 lakhs on the doubling of the line between Pyuntaza and Kyungon.

(*b*) Improved rails and sleepers.

The second item is one of very great importance since the existing track is on many lines below the standard required for modern heavy traffic. The work to be done in this respect extends to every line in the country. A similar remark applies with even more force to the third item " strengthening of bridges " as many of our existing bridges are below the standard required by modern heavy locomotives and stock and this restricts the movement of traffic.

(*c*) Strengthening of bridges.

(*d*) Remodelling of station yards.

The remodelling of yards and stations represents a very urgent necessity both in the interests of movement of traffic and the economic use of stock. The more important extensions necessary are terminal arrangements at Grant Road. Bombay (45 lakhs), Ahmedabad (12 lakhs), Bulsar (4 lakhs), Bandra (5 lakhs), Victoria Terminus (6 lakhs), Mazgaon (5·81 lakhs), Poona (7 lakhs), Nagpur (6 lakhs), Gwalior (4·80 lakhs), Bhojudi (7·30 lakhs), Tatanagar (7 lakhs), Anara (10·75 lakhs), Moghalserai (10 lakhs), and Peshawar (8 lakhs).

(*e*) Additional quarters for staff.

The necessity for additional quarters for the staff is represented by every line in India, and in the interests of the hardworked employees who are at present in many cases housed in inadequate and unsuitable quarters or who have to make their own arrangements in circumstances of great difficulty, it is imperative that a liberal sum shall be spent on this object with the least possible delay.

(*f*) Workshops and stores buildings
(*g*) Plant and Machinery.

The extension of workshops and stores buildings and the provision of additional plant and machinery at a cost of Rs. 4¼ crores have been rendered necessary in order to deal adequately and expeditiously with the existing rolling stock and the anticipated increase in numbers. The most important item under this head is the South Indian Railway shops at Trichinopoly; the construction of these workshops which are intended to deal with both broad and metre gauge stock is estimated to cost over Rs. 3 crores and a sum of Rs. 112·09 lakhs is proposed to be spent on it in 1923-24. The Great Indian Peninsula Railway proposed to spend Rs. 48·25 lakhs on the electrification of their suburban sections.

Before leaving the subject of improved traffic facilities, mention may be made of the progress made in relaying the lines dismantled during the war. Of the 420 miles of railway lines dismantled 141 miles have already been restored, leaving 279 miles to be yet relaid. Of these the most important is the Sutlej Valley Railway, 208 miles in length, which is being relaid and anticipated that the Kasur Pakpattan section will be opened in the course of the next few months. During the year 1923-24 the relaying of the Bhagalpur Bausi Railway, 32 miles long, will be taken in hand and will be completed as soon as secondhand materials are available.

8. *Rolling stock.*—A total sum of Rs. 12·35 crores is proposed to be spent on the provision of additional stock and on the improvement of the existing stock. The distribution of this amount between the various items is shown below :—

	Rs. lakhs.
Engines	3,04·09
Coaches	2,91·74
Wagons	5,00·72
Miscellaneous	1,38·42
Total	12,34·97

This expenditure covers both additional vehicles and engines and the cost of improvements to existing stock. It is anticipated that the railways will be able to place on the line during the year 1923-24, 189 extra engines, 1,270 additional coaches and 8,567 wagons (in terms of four wheelers). It is hoped that the addition of these numbers to the existing stock, coupled with the provision of improved facilities for the movement of the existing stock, will effect a sensible improvement in the existing conditions of travel and transport.

9. *New construction.*—No new lines are proposed to be started but an expenditure of Rs. 281·10 lakhs is required for those now under construction.

Of this Rs. 132·10 lakhs will be spent on the following lines which serve important coal areas :—

	Rs. lakhs.
(1) Bokaro-Ramgarh Extension	6·15
(2) South Karanpura	21·75
(3) Talchir Coalfields Railway	45·00
(4) Hesla Chandil	45·00
(5) Majri-Rajur	14·20
Total	132·10

A sum of Rs. 54 lakhs has been allotted for the Khyber Railway. Rs. 45·36 lakhs will be spent on the completion of the remaining portion of the Itarsi Nagpur Railway—an important line which has for unavoidable reasons taken an unusually long time to construct. The Amda Jamda Railway which will serve rich iron ore deposits in the province of Bihar and Orissa will shortly be ready for opening, and it is proposed to spend Rs. 28·33 lakhs on the completion of works in hand. In Bombay a short overhead line is being constructed to provide for the suburban traffic and the provision made is Rs. 16·55 lakhs.

10. *Facilities for third class passengers.*—Great public interest naturally attaches to works which will directly or indirectly benefit the conditions of travel of the lower class passengers. To a considerable extent the third class passenger shares in the benefits which will follow from the general improvement in stock and facilities which will render possible a more extended service. And this is particularly the case in respect to overcrowding which can only be alleviated by more frequent and commodious trains than are at present possible owing to insufficiency of stock, congested lines, short platforms and all the other various disabilities which hinder the provision of facilities for travel the necessity for which is fully realised. Apart, however, from these indirect measures of improvement special attention has been paid in framing the programmes of all lines to measures which will afford direct relief.

11. Taking first the provision of carriages. The number of third class carriages on all railways on 31st March 1922 was 17,868 in terms of four wheelers. The number of additional vehicles which it is hoped will be placed on the line by the end of the year is 1,058. The result of the present programme will be to add further 1,091, bringing the total number up to 20,017 by the end of the year 1923-24. Apart from the increase in numbers, improvements in design are being simultaneously effected. A few facts in respect of the improved type of third class stock may not be without interest. On the Great Indian Peninsula Railway 59 carriages of an improved type are being provided in the year 1922-23 and 47 more will be put on the line in the following year, the cost being about Rs. 22 lakhs. These coaches will be bogies each 68 feet long by 10 feet wide to accommodate 83 passengers ; the seats will run lengthways ; each carriage will be fitted with four latrines of a new and greatly improved design. An illustration of this carriage was reproduced in the Administration Report for 1921-22. On the East Indian Railway arrangements are being made to complete the fitting up of a rake of third class carriages which embody a novelty in providing drinking water equipment. These carriages will be put into service as a regular passenger train as early as possible. This experiment of having drinking water for the third class travelling public on the train itself will be watched with interest. The Eastern Bengal Railway is also experimenting with a new type. This railway is constructing 11 bogie coaches which will accommodate 1,037 third class passengers. Each of these carriages will be divided into four compartments with latrine accommodation for each compartment ; for water supply roof tanks holding a total capacity of 80 gallons are provided ; washhand basins are fitted in each lavatory. For suburban traffic this railway is providing coaches with seats arranged laterally with half backs, with a view to allow free circulation of air. These coaches will be built with turn-under sides, thus increasing the seating accommodation.

12. Apart from rolling stock a great deal of attention is now being devoted on all lines to the question of general facilities of travel with special reference to third class passengers. Under orders of the Railway Board special reports on this matter have been submitted by all Government Inspectors and arrangements are being made wherever possible to give effect to their suggestions for improvement. On some lines, notably the Great Indian Peninsula Railway, further special investigation has been initiated by the railways themselves. It is impossible within the compass of this Memorandum to give a comprehensive description of all that is contemplated in this direction, but in view of the interest taken in this matter a few details of the schemes which have been initiated on some of the principal lines as the result of the investigation are embodied in the Annexure to this Memorandum.

PART II.—REVENUE.

HEADS OF ACCOUNT "XI AND XII AND 10 TO 12—RAILWAY REVENUE ACCOUNT."

13. The statement below brings out the main features of the Railway revenue budget:—

	Actuals, 1921-22.	Revised, 1922-23.	Budget. 1923-24.
STATE RAILWAYS—	Rs.	Rs.	Rs.
Gross Receipts	81,69,27,377	92,07,26,000	95,57,24,000
Deduct—			
Working Expenses	*65,66,78,003*	*65,83,85,000*	*63,01,50,000*
Surplus profits paid to Companies, etc.	*1,06,40,122*	*68,07,000*	*98,77,000*
Net Receipts	14,96,09,252	25,55,34,000	31,56,97,000
Interest and capital redemption charges—			
Annuities in purchase of Railways	5,07,33,728	5,03,62,000	5,03,62,000
Sinking Funds	43,35,431	46,11,000	49,10,000
Interest on Debt	15,63,48,047	16,96,83,000	18,77,90,000
Interest on Capital contributed by Companies	3,35,17,355	3,32,04,000	3,22,30,000
	24,49,84,561	25,78,60,000	27,52,92,000
Net Result	—9,53,75,309	—23,26,000	+4,04,05,000
Other Receipts	24,73,577	25,97,000	19,61,000
Other Charges	—20,01,989	45,31,000	38,40,000
Net Result	44,75,566	—19,34,000	—18,79,000
TOTAL NET RESULT	—9,08,99,743	—42,60,000	3,85,26,000
Redemption of capital from revenue	1,13,74,610	1,17,65,000	1,21,70,000
Capital at charge at end of each year	5,44,30,50,333	5,62,92,73,000	5,99,99,52,000
Miles open on the 1st April	26,799	26,951	27,108

14. *Receipts 1922-23.*—In framing the budget estimate for 1922-23, the gross traffic receipts were placed at Rs. 99⅓ crores, being 17¾ crores in excess of the revised estimate for 1921-22. This figure was intended to cover the equivalent of freight tax to be obtained by an all-round enhancement in rates on goods, an increase of Rs. 6 crores in passenger fares which was to be brought about by an increase in fares by about 25 per cent., besides the usual improvement in receipts on account of the normal growth of traffic from year to year.

It was not possible to bring the enhancements in passengers' fares into force with effect from the commencement of the year and as a matter of fact they were brought into force by the several railway administrations with effect from different dates. To end of December 1922, *i.e.*, for the first nine months of the year, the number of passengers carried and the receipts realised from them compare as follows with those for the corresponding period of last year.

(In thousands.)

Passengers.	1921-22.		1922-23.		Increase+ Decrease—	
	Number.	Earnings.	Number.	Earnings.	Number.	Earnings.
		Rs.		Rs.		Rs.
I class passenger . . .	1,019	96,17	890	99,03	—129	+2,86
II „ „ . . .	7,155	1,67,52	6,515	1,62,27	—640	—5,25
Inter „ „ . . .	7,781	1,14,22	6,826	1,08,29	—955	—5,93
III „ „ . . .	358,596	20,31,89	357,944	22,37,28	—652	+2,05,39
Total .	374,551	24,09,80	372,175	26,06,87	—2,376	+1,97,07

It will be seen that the number of passengers has decreased by 2,376 thousands, *i.e.*, about ·63 per cent., of the number carried in the year 1921-22 though there has been an increase of Rs. 1·97 crores in the receipts. It has been suggested that this reduction is to some extent due to the increase in fares, but the falling off in the normal rate of increase of passengers was apparent before the fares were increased and it is probable therefore that the general economic factors of poor trade and increased cost of living have been largely responsible for the decrease.

For similar reasons the goods traffic has not come up to expectations. The total weight of traffic carried was 58·051 millions of tons during the first nine months of the year as compared with 57·639 millions of tons during the corresponding period of 1921-22, the increase being 412,000 tons. The total receipts were Rs. 38·91 crores as compared with Rs. 34·80 crores realised during 1921-22, the increase being Rs. 4·11 crores. Making allowance for the freight tax which was accounted for separately in the year 1921-22, and is now merged in the goods receipts, there has not been any appreciable increase in the total receipts so far.

The traffic has during the last few weeks shown indications of improvement and taking all the factors into consideration the revised estimate has been placed at Rs. 92 crores, being Rs. 7½ crores less than the budget estimate.

15. *Receipt 1923-24.*—The gross receipts have been estimated at Rs. 95½ crores, being Rs. 3½ crores more than the revised estimate for the year 1922-23. This is based on the fact that the enhanced fares will be in force throughout the year and on the assumption based on present favourable indications that trade may be expected in some degree at any rate to revive.

16. *Working Expenses.*—The budget estimate for working expenses of State-owned railways during 1922-23, was placed at Rs. 68·06 crores and the revised estimate now proposed is Rs. 65·84 crores involving a saving of Rs. 2·22

crores. For 1923-24 the budget provision has been fixed at Rs. 63·02 crores, made up as follows:—

	Rs. lakhs.
(*a*) Ordinary expense (excluding fuel)	49,28,09
(*b*) Fuel	8,53,69
(*c*) Programme revenue	9,85,82
	67,67,60
Deduct non-budget lines	3,38,98
Suspense	—41,30
	63,87,32
Deduct Lapse anticipated under programme revenue	—85,82
	63,01,50

The Retrenchment Committee recommended that in view of the general financial position a reduction should be made in railway working expenses. The Government of India decided to accept this recommendation, and made a reduction in the estimates of 3 crores of rupees. A further reduction of 50 lakhs was made by the Legislature.

17. *Ordinary expenses.*—Excluding fuel, which is dealt with in the next paragraph, the total ordinary expenses are expected to amount to over Rs. 51 crores in 1922-23. This is Rs. 59 lakhs in excess of the actual expenditure in the preceding year and Rs. 1½ crores more than the budget provision for 1922-23. In the year 1923-24 it is proposed to provide for an expenditure of over Rs. 49¼ crores which is considerably less than the actuals of last year and the revised estimate for 1922-23. The distribution of the expenditure between the three main sub-divisions of this head is shown below :

	Actual expenditure in 1921-22. Rs. crores.	Revised estimate, 1922-23. Rs. crores.	Budget estimate, 1923-24. Rs. crores.
(*a*) Maintenance	17·49	17·14	16·79
(*b*) General superintendence	7·54	7·86	8·01
(*c*) Running expenses and general charges, etc.	25·48	26·10	24·88
Total	50·51	51·10	49·68
Lump sum reduction	...	...	40
			49·28

The gradual reduction of expenditure on ordinary repairs and maintenance of the property is mainly due to fall in prices of materials and to economical methods introduced as a result of the economy campaign which has been carried on by all railway administrations during 1922-23. The rise in the cost of General Superintendence from Rs. 7·54 crores in 1921-22 to Rs. 7·86 crores in 1922-23 and to Rs. 8 crores in the next year is mainly due to annual increments due for approved service of employees, the great majority of whom now are on time-scales of pay. No revisions of any great importance in the scales of pay were sanctioned in 1922-23 nor are any contemplated in 1923-24; slight changes may, however, possibly be made where it is considered absolutely necessary to do so. The numbers of superior staff have on some railways been slightly reduced, while on others the cadres have had to be strengthened to keep abreast with increased work. Increases of this class are, however, very carefully scrutinised and are only permitted where clearly unavoidable.

The increase of expenditure under the head "running expenses and general charges" in 1922-23 is made up of a number of items. About half of the excess is due to payments by the East Indian Railway to other railways for the use of rolling stock taken on hire. The annual increments granted to drivers and firemen, station and train staff and the consequential increase in the provident fund bonus allowed are also responsible for increased expenditure. In 1923-24 it is proposed to provide for an expenditure of Rs. 24·88 crores under this head which is about Rs. 1¼ crore less than the provision for 1922-23.

18. *Fuel.*—The provision in the budget for fuel in 1922-23 was placed at Rs. 10·02 crores as compared with the actual expenditure of Rs. 9·79 crores in 1921-22. In the revised estimate it has been reduced to Rs. 9·64 crores due to a smaller quantity of imported coal having been purchased. The budget for 1923-24 provides Rs. 8·69 crores. The only railway which proposes to purchase imported coal during 1923-24 is the Madras and Southern Mahratta Railway and its orders will amount to 60,000 tons. This purchase is justified by the fact that the price per ton of the foreign supply compares favourably with the price of Bengal coal with freight charges included. All the other railways expect to use Indian coal only and there is consequently a reduction of over 1 crore of rupees in expenditure as compared with the revised estimate for 1922-23, in spite of the fact that the contract price of Indian coal for supply during 1923-24 is somewhat higher than during 1922-23.

It may be stated here that steps are contemplated with a view to increase local supplies and avoid recourse to import of coal. In order to increase the output from the Kargali colliery, which is worked by the Great Indian Peninsula Railway, it has been proposed to work it by means of electricity and an estimate for Rs. 24·76 lakhs has been submitted to the Secretary of State for sanction. The ultimate output will be increased to one million tons of coal per annum representing more than 75 per cent. of the present day requirements of this railway and the saving in the fuel bill is estimated at about Rs. 40 lakhs per annum. Steps are also being taken to acquire additional collieries for railway purposes. In the southern portion of the Karanpura coalfields an area of 6,800 bighas has been investigated and proved by a prospecting survey to contain at least 150 million tons of coal. A mining lease of this area has been acquired at a cost of Rs. 11·90 lakhs and it is proposed to work it as a State colliery for the use of the three State-worked railways. The Secretary of State has sanctioned an expenditure of Rs 49·54 lakhs for the acquisition and development of Jairangdih colliery for the joint use of the Bombay, Baroda and Central India and the Madras and Southern Mahratta Railways. The output of coal is estimated at 650,000 tons by the third year of development, increasing by degrees to 1,300,000 tons per annum from the fifteenth year. The Bengal-Nagpur Railway is carrying out prospecting surveys in the Talchir and Karanpura coalfields, and the Madras and Southern Mahratta Railway also proposes to investigate an area in the former field. Negotiations are in progress with a view to the Burma Railways obtaining their coal supply from the Kalaw coalfields which have been leased and are being surveyed by a private company.

The new coal lines already referred to which have been taken in hand in 1922-23 will also help in this direction.

As a measure of general economy Coal Saving Committees have been constituted on all lines with a view to exploring every possible avenue of saving.

19. *Programme Revenue.*—The budget provision for 1922-23 under the head "Programme Revenue" was Rs. 11·81 crores and the revised estimate provides for an expenditure of Rs. 8·97 crores. The deficiency is mostly due to the non-arrival of necessary materials and also to some extent to fall in prices. The budget has been framed for a net expenditure of 9 crores allowing for a possible saving in the estimate of 85 82 lakhs.

The expenditure under this head is intended primarily to make good wear and tear of the property; to provide for the renewal of rails, sleepers, bridges and stock which are worn out or no longer suitable for present heavy traffic. The Railway Finance Committee considered this matter and recommended that early steps should be taken to calculate the rates of depreciation which should be allowed for the various classes of railway plant and material in order that the recurrence of the deterioration which had taken place in recent years might be avoided and depreciation of renewal and repairs provided for automatically. The question was also considered by the Central Advisory Council for Railways who expressed the opinion that, if a proper depreciation fund were started, adequate provision for the service of the fund should be a standing charge against the revenue budget. A committee of experienced officers has been at work examining the question and their report has only recently been received and is under consideration.

In view of the unavoidable depreciation of railway property which took place during the years of the war, this head of expenditure represents one of the most important items in the Railway Budget, for it has been made quite clear by all the evidence which was given before the Acworth Committee that the present condition of the railways, which exhibits decreased earning power and inability to deal adequately with the traffic offering, is largely due to the impossibility of providing adequate funds for regularly making good depreciated material, plant and equipment. Further it is important that the intimate connection between this part of the programme and capital should not be overlooked. In modern conditions nearly every renewal involves an element of betterment and if full use is to be made of the 30 crores per annum, which the Assembly has decided shall be spent on the improvement of railways, it is essential that the process of renewal on which the improvement is dependent shall be correspondingly financed.

20. *Surplus Profits paid to Companies.*—The increase of Rs 8,07 lakhs in the revised estimate is due to the larger net earnings of some railways in the last quarter of 1921-22 than provided for in the revised estimate of that year upon which the budget estimate of surplus profits of the current year was based.

The large increase in the budget estimate for 1923-24 as compared with the revised estimate for 1922-23 is due to the probable estimated net earnings of 1922-23, being larger than those of 1921-22.

21. *Interest charges, etc.*—The excess under Interest on debt is explained in Finance Department memorandum.

22. *Other receipts.*—The receipts shown under this head represent the Government share of surplus profits of the Rohilkund and Kumaon, Southern Punjab, Amritsar Patti, Hardwar Dehra, Kalighat Falta, Sialkot Narowal and Hoshiarpur Doab Railways payable under the terms of their respective contracts. The improvement of Rs. 6,55,000 on the budget estimate of receipts in 1922-23 is due mainly to the variations anticipated in the Government share of surplus profits of the Amritsar Patti and Rohilkund and Kumaon Railways and in the repayment of advances of interest by Tinnevelly Quilon Railway (Indian State section). The decrease of Rs. 6,36,000 provided for in the budget for 1923-24 is due mainly to variations anticipated in the Government share of surplus profits of the Rohilkund and Kumaon and Southern Punjab Railways and in the repayment of advances of interest by Tinnevelly Quilon Railway (Indian State section).

23. *Other charges.*—These consist of cost of land required by certain Railway Companies entitled under the terms of their contracts to free supply of land for the purposes of their railways and of miscellaneous items such as surveys and controlling establishments (including the Railway Board). A share of the cost of control is charged to the working expenses of each Railway Company and the recoveries thus made are adjusted by deduction from the miscellaneous expenditure. The figures are :—

Items.	1921-22.	1922-23.		1923-24.
	Actuals.	Budget.	Revised.	Budget.
	Rs.	Rs.	Rs.	Rs.
1. Subsidised Companies—Land and Subsidy.	7,19,922	19,83,000	10,80,000	25,90,000
2. Miscellaneous Expenditure .	—27,21,911	23,04,000	34,51,000	12,50,000
TOTAL .	—20,01,989	42,87,000	45,31,000	38,40,000

24. *Land and Subsidy.*—The revised estimate shows a decrease of Rs. 9,03,000 over the budget estimate of 1922-23 which is mainly attributable to the fact that provision made for certain railways is not now required, as it has subsequently been decided to construct them from Programme funds and also to provision made for certain other lines not having been utilized due to postponement of works to next year. The budget estimate for 1923-24 has been

placed at Rs. 25,90,000 which is about Rs. 15 lakhs in excess of the revised estimate for 1922-23. The increase is chiefly due to provision made for land for new projects, *viz.*, Jharia-Jhanjail-Bagmara, Bagmara-Siju, Mukerian-Talwara, Sirhind Rupar Railways, District Board Lines in Madras Presidency, Hardwar Dehra and Rishikesh-Rishikesh Road Railways.

25. *Miscellaneous Expenditure.*—The increase of Rs. 11,47,000 in the revised estimate for 1922-23 as compared with the budget estimate of the year is chiefly due to provision made to cover the estimated amount of adjustments required to be made provisionally with other departments on behalf of railways in the Accountant General, Railways' auxiliary accounts as well as to provide for the reversal entries in respect of certain credits adjusted in those accounts for 1921-22 to be passed on to the railways in the accouuts for 1922-23. It may be explained that the use of the Accountant General, Railways' auxiliary accounts is made to include in the railway accounts for a year all the railway transactions relating to that year which, owing to the individual accounts of railways for a year being closed early in May following, could not be adjusted in those accounts and would have remained outstanding at the end of a year but for adjustment through the auxiliary accounts. The budget for 1923-24 is made up as follows :—

	Rs.
Cost of surveys	8,00,000
Government supervision, audit and control :—	
Establishment of the Railway Board	10,00,000
„ „ Accountant General, Railways	2,39,000
Government Inspectors and Government examiners of Accounts	6,78,000
Surplus Establishment and Miscellaneous Charges	2,10,000
Indian Railway Bridge Committee	5,000
State Railways. Miscellaneous expenditure in England	15,84,000
Exchange	7,92,000
Total	53,08,000
Less—Recoveries on account of supervision	*—16,82,000*
Less—Leave allowances, etc., of railway employés and miscellaneous charges adjustable against working expenses	*—23,76,000*
GRAND TOTAL	12,50,000

PART III—REVIEW OF FINANCIAL POSITION.

26. *1922-23, Revised Estimate.*—The following table shows the financial results expected in accordance with the latest estimates :—

	Rs.	Rs.
Traffic receipts from Government Railways		92,07,26,000
Government share of surplus profits from Subsidised Companies' Railways		25,97,000
Total receipts		92,33,23,000
Working expenses	65,83,85,000	
Surplus profits paid to Companies	68,07,000	
Interest on Government debt	16,96,83,000	
Interest on capital contributed by Companies	3,32,04,000	
Annuities in purchase of Railways	5,03,62,000	
Sinking Funds	46,11,000	
Land and Subsidy to Companies	10,80,000	
Miscellaneous	34,51,000	
Total charges	...	92,75,83,000
Net loss	...	42,60,000

The total capital at charge of railways is Rs. 5,62,92,73,000 and after paying working expenses the net return on capital is expected to be Rs. 26,49,38,000 which is equivalent to 4·7 per cent. on capital.

The net loss after paying interest on borrowed capital and all other contingent liabilities connected with railways was Rs. 42,60,000 which compares favourably with the corresponding figure of Rs. 9,08,99,743 in 1921-22.

27. *1923-24, Budget Estimate.*—The corresponding figures for 1923-24 based on estimates are expected to be as follows :—

		Rs.
Traffic receipts from Government Railways		95,57,24,000
Government share of surplus profits from Subsidised Companies' Railway		19,61,000
Total receipts		95,76,85,000
	Rs.	
Working expenses	63,01,50,000	
Surplus profits paid to Companies	98,77,000	
Interest on Government debt	18,77,90,000	
Interest on capital contributed by Companies	3,22,30,000	
Annuities in purchase of Railways	5,03,62,000	
Sinking Funds	49,10,000	
Land and Sudsidy to Companies	25,90,000	
Miscellaneous	12,50,000	
Total charges	...	91,91,59,000
Net gain		3,85,26,000

The total capital at charge of railways at the end of the next financial year is expected to be Rs. 5,99,99,52,000 and after paying working expenses the net return on capital will be Rs. 32,75,35,000 which is equivalent to 5·46 per cent. on capital.

28. It will be seen from the above that the position is rapidly improving, and there is every expectation that in 1923-24 railways will again bring in a net profit to the State. The unfavourable results in the past years since the war have been due to a variety of causes, most of which are now showing signs of passing away. Difficulties similar to those which have affected railways in India have been apparent in every form of business in the country. Working expenses have risen to an unprecedented degree, and the earning power of the lines has not responded for the reason that trade was almost at a standstill and even passenger traffic languished or failed to increase, in sympathy with the financial condition of the people. There is, however, no reason to imagine that these conditions represent other than a temporary phase similar to what is apparent in every other part of the world.

29. On every line in India Retrenchment Committees are now endeavouring to reduce working expenses by introducing more economical methods and by getting rid of all classes of liabilities which do not represent matters absolutely essential to working. Trade is now beginning to show signs of recovery and it may confidently be hoped that railway receipts will rise in sympathy. It is the first essential at present, therefore, to push forward the rehabilitation of all lines so that they may be placed in a position to meet the public demand for transport without difficulty, and at the same time to endeavour by every means possible to reduce the working expenses to the minimum compatible with efficiency.

C. D. M. HINDLEY,

Chief Commissioner of Railways.

Dated the 29th March 1923.

Annexure to Appendix I.

MEASURES DESIGNED TO IMPROVE CONDITIONS OF TRAVEL FOR 3RD CLASS PASSENGERS.

Water supply for passengers.

Every line is paying particular attention to this requirement. Mention is made in the memorandum to which this is appended of the experiments in providing supply in the train itself but apart from this arrangements are being made to extend and improve the ordinary station supplies for passengers. On the Great Indian Peninsula Railway 43 stations are put down for this improvement and provision is being made for standpipes both on platforms and in 3rd class waiting sheds. The North Western Railway which traverses some very hot tracts besides providing additional supply at many stations is conducting experiments in cool storage by building special drinking water tanks. These installations cost Rs. 2,000 each and pending the result of the trial temporary arrangements are being made to improve the water supply at a large number of stations. The Burma Railways proposes to devote about Rs. 50,000 to provision of extra hydrants though arrangements on this line in this respect are reported to be generally good.

The Bengal Nagpur Railway besides minor improvements at less important stations has 11 large schemes for providing new water supply at stations. The Bengal and North Western, Rohilkund and Kumaon, Oudh and Rohilkhand, Madras and Southern Mahratta and South Indian Railways all propose to increase substantially the number of hydrants and improve supply of water. On the Eastern Bengal Railway 24 new stations are being equipped with hydrants and 12 tube wells are to be sunk. About a lakh of rupees is to be spent on these objects.

The above are merely examples of what is being done. Works of this nature are not by themselves individually impressive but in the aggregate tend to improve on passengers' comfort.

Waiting sheds and rooms.

Very particular attention has been devoted to this matter in all programmes.

The Great Indian Peninsula Railway is providing new waiting accommodation at 58 stations and extending existing accommodation at 15 more besides providing additional seating accommodation, the total expenditure on these works being Rs. 3·85 lakhs. The Bengal and North Western Railway is spending Rs. 56,000 in providing new 3rd class waiting accommodation with separate rooms for Indian ladies at 10 stations. The East Indian Railway has a number of smaller schemes of this nature and large ones at Jammawan, Kulti, Delhi and Burdwan. The North Western Railway is providing new waiting halls at Karachi, Bhalwal, Shorkot Road, Sangla Hill, Khanewal, and other stations numbering 13 in all, the total expenditure being about Rs. 3 lakhs.

The Oudh and Rohilkhand Railway is spending Rs. 1,06,000 on extra waiting accommodation at 12 stations including a large scheme to meet mela traffic at Sitapur. The Bombay, Baroda and Central India Railway has a considerable programme of this work including the re-building of the stations at Ahmedabad with very greatly improved 3rd class accommodation which is very badly required. The Bengal Nagpur Railway is extending the waiting shed for pilgrims at Puri and is also providing pilgrim serais at 4 stations at an estimated cost of about Rs. 1½ lakhs The waiting halls at 14 other stations are to be extended and improved on this line. On the Rohilkund and Kumaon Railway an Indian waiting shed is being erected at Kathgodam. The Assam Bengal Railway is spending Rs. 70,000 on third class waiting halls at 18 stations. The South Indian Railway is providing improved waiting shed accommodation at 10 stations; Indian retiring room and festival waiting shed at 2 stations are also to be erected by this railway; increased accommodation in 3rd class waiting sheds is also being provided at 7 important stations which are being remodelled. On the Eastern Bengal Railway the present 3rd class sheds at Katihar are to be considerably increased in size; waiting halls at 12 stations are to be extended; large sheds at 6 stations and small ones at 13 stations are to be erected; and 3rd class ladies' waiting rooms at 4 stations are to be built. The Madras and Southern Mahratta Railway is providing waiting sheds at 42 stations at an estimated cost of Rs. 1,71,000.

Indian refreshment rooms.

The provision of Indian refreshment rooms presents a good many difficulties and all of the arrangements so far made are advisedly of an experimental nature, the object being to ascertain the kind of accommodation most suited to local requirements. Owing to the wide differences in caste and social habits of the different classes to be catered for in various parts of the country it is impossible to successfully adopt similar measures on all lines. But on every line an effort is now being made to find out how the wants of the public can be met and so far as possible to meet them. The East Indian

Railway is providing Mohamedan and Hindu refreshment rooms at Howrah. The Great Indian Peninsula Railway is erecting proper food stalls with cook houses at 43 stations at an estimated cost of about Rs. 2 lakhs; it is also supplying stalls for tea and sweetmeats at 13 stations and improving the existing arrangements at another 7 stations. The North Western Railway is putting up two rooms at Ferozepore; it is also providing vendors' stalls and tea shops at a number of stations. On the Oudh and Rohilkhand Railway vendors' shops have been fixed at 4 stations and others are being provided. On the South Indian Railway Indian refreshment rooms are being provided wherever found necessary. On the Eastern Bengal Railway refreshment rooms for Hindus and Mohamedans have already been provided at 3 junction stations and it is the intention to provide them at all big stations, junctions and termini where passengers wait in any number. During the next year at least 6 such combined Hindu and Mohamedan refereshment rooms will be built, and there will also be considerable refreshment facilities at Katihar station, the total cost being about Rs. 60,000. The Madras and Southern Mahratta Railway is providing new refreshment rooms or improving the existing ones at certain stations.

Latrines.

The travellers' needs in this respect are to a great extent being met by improved arrangements on the trains themselves, at the same time improvements at stations, especially the larger ones, are being attended to.

On the Great Indian Peninsula Railway new latrines are being provided at 22 stations at a cost of Rs. 34,000. The Oudh and Rohilkhand Railway is spending Rs. 13,000 on the improvement of sanitary arrangements for 3rd class latrines at Kashi. The South Indian Railway is erecting latrines at end of platforms with water conveniences and efficient drainage at 7 important stations as part of remodelling schemes. Latrines on station platforms at 35 stations on this line are also being provided at a cost of Rs. 17,500. During festivals temporary latrines are provided where necessary. A special staff of sweepers are engaged during such occasions for the removal of filth and rubbish from places resorted to by passengers. In the case of large festivals like the "Mahamagam" a senior medical officer with a sufficient medical and sanitary staff are placed in charge of festival arrangements.

Booking facilities, raised platforms, etc.

This heading covers a number of matters all affecting the convenience of passengers and in some cases presenting considerable difficulty in solution. The provision of adequate booking facilities to suit widely varying numbers at particular centres is a matter of very great difficulty but efforts are now being made on all lines to effect such improvement as is possible. The East Indian Railway is extending the booking hall at Cawnpore at a cost of Rs. 33,000. Raised platforms are being provided at 5 stations and overbridges are to be built at 4 stations at a cost of over a lakh of rupees. Improved booking arrangements for 3rd class passengers are also being provided at Howrah. The Great Indian Peninsula Railway propose to erect separate booking offices contiguous to the sheds at 14 stations at a cost of Rs. 90,000. It is also proposed to improve the existing arrangements at 8 stations. For the exclusion of beggars and loafers and the reservation of waiting sheds for the sole use of *bona fide* passengers it is proposed at 18 stations to erect unclimbable palisading to form an enclosure in which the waiting sheds, booking offices, food stalls and other facilities for waiting passengers will be situated, the total cost being about Rs. 50,000. The Oudh and Rohilkhand Railway is extending passenger platforms at 27 stations and is providing shed over island platform at Balamau and verandahs to flag stations at a total cost of over Rs. 80,000. The Assam Bengal Railway is providing raised platform, overbridge, and electric lights at Sitakund station and is covering the island platform at Laksam station, the total provision in next year's budget being Rs. 45,000. On the South Indian Railway covered platforms and foot overbridges with coverings are to be provided at 7 stations in connection with remodelling schemes; island and station platforms are also to be provided at these and other stations; at 3 stations platforms are to be raised; benches are to be provided at 50 stations and high power lamps installed at 25 stations. The Eastern Bengal Railway is enlarging platforms at 3 stations in the suburban area. On the Madras and Southern Mahratta Railway high power lamps and electric lights are to be provided at certain stations at a considerable cost. The above explanations in respect to the various classes of improvements do not of course pretend to be comprehensive but will indicate the progress which is being made in dealing with the 3rd class passenger traffic.

APPENDIX II.

PRO FORMÂ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

Prefatory Note.

I.—Scope of *pro formâ* account.

The following *pro formâ* account, with its supporting statements, exhibits the expenditure, initial and annual, on Delhi and the Delhi Province and also any receipts and savings which form a direct set-off to that expenditure. The account has been prepared in consultation with the Auditor General and carries his approval as regards both its form and its substantial completeness at the present date subject to the qualifications implied in the following prefatory remarks; it will be added to, or amplified later, if experience should show this to be necessary.

2. The main item of the account, as regards non-recurring expenditure, is the Delhi project proper, the figures for which appear against item 1 of Part I.—*Initial Outlay*. The principal recurring charge is that representing the expenditure in the new province, which appears as item 1 of Part II.—*Annual Expenditure*.

3. The account necessarily exhibits any expenditure occurring under the named heads, without qualification on account of contributory causes. It must, therefore, be clearly understood that the increase of expenditure, including that in the Delhi Province, is not wholly due to the change of Capital. Thus, an increase of the garrison at Delhi on strategic grounds had been already independently and strongly recommended to the Government of India by the Chief of the General Staff and endorsed by His Excellency the Commander-in-Chief in July 1911, before the transfer of the Capital had been officially proposed, and the construction of the accommodation of the troops already there had long been recognised as pressing. Similarly the recent advance in the policy relating to education and sanitation, particularly the latter, would, under any circumstances, have involved increased expenditure in this city. For practical purposes, these considerations must be ignored in the figured statements, as well as various similar points of minor pecuniary significance. The same principle will be applied to the Railway expenditure, *i.e.*, the cost of any remodelling of the railway system which is connected with the constitution of the new Capital will be exhibited in full in the *pro formâ* account. A wholly independent railway requirement, such as the permanent marshalling yard which will eventually replace the temporary yard now in use, will not be shown.

II.—Relation between the pro formâ *account and the regular accounts.*

4. A brief explanation is added below connecting the various items in the *pro formâ* account with the entries in the published accounts and estimates. Some further explanations are also to be found in the account itself and in its supporting statements.

5. The capital expenditure directly incurred on the construction of the new Imperial Capital at Delhi is shown in the regular accounts under the special head "57—Initial Expenditure on the new Capital at Delhi." The only other item of expenditure which will be recorded in the capital section of the regular accounts is that arising from diversions or re-arrangements of the railway system, which will appear under the head "53—State Railways". Item 1 of Part I of *pro formâ* account. Item 3(*b*), *ibid.*

6. The initial expenditure incurred during the years 1911-12 and 1912-13 in connection with the provision of temporary accommodation for the Government of India at Delhi, pending the construction of the new Capital, has been treated, on the advice of the Auditor General, as a revenue charge, under a special minor head styled "Temporary Delhi" subordinate to the major head "41—Civil Works". Any non-recurring receipts which may eventually be obtained in connection with these temporary works, *e.g.*, from the sale of lands and buildings when no longer required by the Government of India, will be similarly credited under a special head subordinate to the major head "XXX—Civil Works". Item 2, *ibid.* Item II, *ibid.*

Items 1 and I of Part II of *pro formâ* account.

7. The remaining expenditure is mainly brought to account in one of two ways: either, first, as expenditure of the new Province; or secondly as departmental expenditure chargeable to the Department in which it is incurred.

8. The expenditure and receipts appertaining to the *quasi*-provincial administration of the Imperial area are brought to account in the same way as in the case of other minor administrations and are eventually published separately, like the figures for Coorg and Baluchistan, in an appendix to the Civil Estimates. It will be noted that any grants which may be specially given from Imperial revenues in aid of the Delhi Municipality or other local funds will be brought into the regular accounts and consequently, into the *pro formâ* account also, since they will appear as charges of the Delhi administration.

Items 3 (*a*) and III of Part I of *pro formâ* account.

9. Expenditure which does not appertain to provincial administration is recorded, as in the case of other provinces, under its appropriate departmental head in the regular accounts. Thus expenditure on the land and buildings required for the new Cantonment, and any corresponding receipts, appear under the Army and Military Works heads respectively, under both of which a special Delhi sub-Head has been opened. Railway capital outlay has already been referred to. Railway revenue charges and receipts similarly come under the Railway account head. In these cases, the *pro formâ* account necessarily exhibits only initial expenditure and non-recurring receipts, as Military expenditure is not being permanently increased and the influence of the new Capital on the ordinary daily receipts and working expenses of the Railways cannot evidently be satisfactorily isolated. This latter consideration also applies to the case of Postal and Telegraph expenditure, which moreover represents ordinary administrative expenditure of the department, and is relatively insignificant in amount. For these reasons, in the case of this department neither the initial outlay nor the recurring receipts and expenditure have been included.

Items 4 to 7 and I and IV of Part I, and Items 2 and 3 and II to V of Part II of *pro formâ* account.

Item I of Part I.

10. There are also a few items of expenditure and of actual receipt or of definite saving which are not recorded in the accounts of the Delhi Province or in the departmental accounts, but which it is necessary to take into consideration in calculating the expenditure on Delhi and the Delhi Province. Most of these are self-explanatory, but attention may be called to the intended treatment of the sale-proceeds of vacated lands and buildings at Calcutta (if any) and elsewhere. These will be credited under the major heads "XXXV—Miscellaneous" and "XXX—Civil Works", and the *pro formâ* account will take credit only for actual Imperial receipts. No account will be taken, in the statements themselves, of book transactions, or of the considerable savings obtained from the vacation of rented accommodation, *i.e.*, of relief in respect of rental payments which the Local Government obtains by giving up private buildings previously leased for provincial establishments, and moving the latter into offices formerly occupied by the Government of India. Any reference made to such saving will, therefore, be found in an explanatory footnote [See Part I, Note 5.]

11. Outlay on stores and all other expenditure incurred in England under a capital head or as a revenue charge, which can be distinguished as appertaining to the construction of Delhi or to the administration of the Delhi Province, have been included in the *pro formâ* account.

PRO FORMÂ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART I.—INITIAL OUTLAY.

[Figures in thousands of Rupees.]

EXPENDITURE.	Actuals to end of 1921-22.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
1. DELHI PROJECT: Capital outlay on permanent Delhi chargeable to Head "57" (for details see Statement I-A)	8,17,27	1,91,50	1,97,00
2. Temporary Delhi*	54,33	...	...
3. Initial expenditure of non-Civil Departments :—			
(*a*) Military Services†	82,47	5,49	20,44
(*b*) Railways ‡	23,80	27,83	26,17
4. Non-recurring grant to the Punjab Government in compensation for expenditure incurred on new headquarters buildings for the Commissionership transferred from Delhi	1,36	...	...
5. Cost of withdrawal to Delhi of Imperial offices previously located at Calcutta or elsewhere	2,03	...	...
6. Special non-recurring monetary concessions to establishments of the Government of India and attached offices on the occasion of their first move to Delhi	4,54	76	67
7. Miscellaneous items§	6,55	1,18	1,40
TOTAL	7,92,35	2,26,76	2,45,68

RECEIPTS.	Actuals to end of 1921-22.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
I.—Receipts which may be obtained on account of Imperial buildings vacated by the Government of India or attached offices in consequence of the move	...	...	...
II.—Non-recurring receipts on account of Temporary Works	2	...	...
III.—Recoveries on account of land or buildings vacated in the old Cantonment of Delhi‖	...	...	...
IV.—Miscellaneous items	5,09	84	84
TOTAL	5,11	84	84

Total Expenditure to end of 1923-24	12,64,79	Total Receipts to end of 1923-24	6,79
Net Expenditure to end of 1923-24	12,58,00		

*NOTE 1.—The head "Temporary Delhi" has been closed from 1st April 1913, subsequent expenditure being treated as part of the expenditure of the Delhi Province—see Part II of Account.

†NOTE 2.—The expenditure included under item 3 (*a*) is that relating to the formation of the new Cantonment. Its details are as follows :—

	To end of 1921-22.	Revised, 1922-23.	Budget, 1923-24.
Acquisition of land	13,10	...	...
Cost of buildings	61,80	5,00	18,42
Establishment charges	5,70	40	1,84
Tools and Plants	1,87	9	18
TOTAL	82,47	5,49	20,44

‡ NOTE 3.—The figures relate to charges for the acquisition of land and outlay on railway facilities at Nangal Raya and on account of Delhi New Capital Railway Works.

§ NOTE 4.—The expenditure shown against item 7 represents mainly the proportionate cost of the Delhi Audit Office and the cost of temporary establishments employed in the Secretariats in connection with the change of Capital.

‖NOTE 5.—These heads will record only actual receipts obtained from the sale of the vacated buildings and land. As explained in paragraph 10 of the prefatory note, this procedure has the effect of excluding a substantial true saving in respect of rented accommodation. Thus from 1913-14 to 1921-22 the Government of Bengal, by moving their offices into the vacated Imperial buildings in Calcutta, saved R6,78,600 : partly by being enabled to dispense with private accommodation previously leased, and partly by being relieved from the necessity of renting further accommodation.

PRO FORMÁ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART II.—ANNUAL EXPENDITURE.

[Figures in thousands of Rupees.]

Expenditure.	Actuals, 1920-21.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.	Receipts.	Actuals, 1921-22.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
1. Expenditure of Delhi Province *	65,09	57,77	50,06	I.—Revenue of Delhi Province*	34,11	32,73	32,61
2. Miscellaneous items	25	29	29	II.—Saving under hill journey and travelling allowances and contingencies on account of shorter move of Secretariat and attached offices.†	2,50	2,50	2,50
Total expenditure	65,34	57,46	50,35	III.—Miscellaneous items	3	3	3
Net expenditure	28,70	22,20	15,21	Total receipts	36,64	35,26	35,14

* NOTE 1.—The details of this item are given in Statement II-A.

† NOTE 2.—The figure shown against item II to a minimum figure calculated once for all on the assumption that all offices or portions of offices which previously moved between Calcutta and Simla have subsequently moved regularly between Delhi and Simla. The actual saving throughout has been larger owing to certain establishments which previously moved to Calcutta being retained in Simla throughout the cold weather.

STATEMENT I.-A.

Details of Capital outlay on the Delhi Project working up to the total figures shown against item 1 in Part I of pro forma *account.*

[Figures in thousands of Rupees.]

Items.	Actuals to end of 1921-22.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
A.—Salaries and allowances—			
(*a*) Preliminary Investigation—			
(*i*) Gazetted officers	2,04	...	...
(*ii*) Non-gazetted officers	14	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(*i*) Gazetted officers	44,90	11,24	10,29
(*ii*) Non-gazetted officers	28,17	6,14	7,31
(*c*) Miscellaneous officers (including all others) employed on the Project—			
(*i*) Gazetted officers	3,78	36	41
(*ii*) Non-gazetted officers	2,55	46	32
B.—Travelling allowances of Officers and Establishment—			
(*a*) Preliminary Investigation—			
(*i*) Gazetted officers	23	...	...
(*ii*) Non-gazetted officers	2	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(*i*) Gazetted officers	4,26	69	67
(*ii*) Non-gazetted officers	2,55	50	55
(*c*) Miscellaneous officers (including all others) employed on the Project—			
(*i*) Gazetted officers	37	8	9
(*ii*) Non-gazetted officers	13	4	4
C.—Supplies, Services and Contingencies—			
(*a*) Preliminary Investigation	51	...	...
(*b*) Public Works and Electrical officers employed on the Project	3,64	70	64
(*c*) Miscellaneous officers	39	4	1
Less—On account of exchange	...	1,69	1,48
Total A, B, C	93,68	21,94	21,71
Deduct—Credits from other heads of account	*20,18*	*3,09*	*4,04*
Net Total A, B and C	73,50	18,85	17,67
D.—Works Expenditure—			
(*i*) Buildings	...	...	...
(*a*) Government House	28,22	12,47	30,00
(*b*) Secretariat	47,49	27,80	46,68
(*c*) Other buildings	1,17,92	18,22	51,06
(*d*) Legislative Chambers	54	7,76	25,00
(*ii*) Communications	12,13	7,20	6,00
(*iii*) Miscellaneous Public Improvements	7,98	2,05	5,00
(*iv*) Electric Light and Power	1,83	15,20	16,56
(*v*) Irrigation	21,82	9,43	3,00
(*vi*) Sanitation including storm-water drains, sewage and sewage disposal, water-supply, and conservancy.	47,60	24,60	21,00
(*vii*) Tools and plants	63,22	6,37	4,00
(*viii*) Stock and Suspense	77,28	9,65	—35,00
(*ix*) Miscellaneous including surveys camps and general preliminary expenditure connected with works.	63,93	16,50	2,00
(*x*) Maintenance during construction	34,79	10,95	10,00
(*xi*) Railway diversion	77	10,00	2,00
E.—Acquisition of land taken up for the Project	33,93	—51	...
F.—Other Miscellaneous expenditure	6	...	...
Reserve for fluctuation in exchange	...	11,25	2,82
Minus Reserve	...	—12,29	—7,79
Deduct—Receipts on Capital Account	*20,74*	*4,00*	*3,00*
Total	6,17,27	1,91,50	1,97,00

STATEMENT II-A.

Revenue and Expenditure of Delhi Province.

[Figures in thousands of rupees.]

Revenue.				Expenditure.			
Major heads of Account.	Actuals, 1921-22.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.	Major heads of Account.	Actuals, 1921-22.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
I.—Customs	53	1,35	1,10	2. Taxes on Income	7	14	15
II.—Taxes on Income	12,01	9,53	9,51	5. Land Revenue	79	43	39
IV.—Opium	20	21	29	6. Excise	14	16	14
V.—Land Revenue	3,60	3,77	3,86	7. Stamps	11	12	12
VI.—Excise	4,45	5,24	5,27	9. Registration	8	8	8
VII.—Stamps	7,01	6,57	6,60	15. Miscellaneous Irrigation Expenditure	4	5	5
IX.—Registration	42	44	45	22. General Administration	2,80	3,29	3,19
XIV.—Irrigation works for which no capital accounts are kept	1	6	4	23. Audit	*51	*23	*12
XVI.—Interest	1	19	18	24. Administration of Justice	1,50	1,77	1,67
XVII.—Administration of Justice	19	23	22	25. Jails and Convict settlements	1,47	1,22	1,17
XVIII.—Jails and convict settlements	22	25	25	26. Police	8,74	9,74	7,98
XIX.—Police	17	20	18	28. Ecclesiastical	23	36	35
XXI.—Education	15	16	16	29. Political	1	1	1
XXII.—Medical	4	8	7	30. Scientific Departments	5	41	4
XXVI.—Miscellaneous Departments	21	5	5	31. Education	3,76	4,84	4,84
XXVII.—Currency	...	...	...	32. Medical	3,32	3,48	3,27
XXX.—Civil Works†	1,68	1,20	1,20	33. Public Health	84	86	79
XXXIII.—Receipts in aid of Superannuation, etc.	6	4	5	34. Agriculture	33	30	18
XXXIV.—Stationery and Printing	10	10	9	35. Industries	...	3	3
XXXV.—Miscellaneous	3,05	3,06	3,04	37. Miscellaneous Departments	2	...	...
				38. Currency	8	9	9
				41. Civil Works†	18,87	17,06	15,53
				44. Territorial and Political Pensions	45	49	48
				45. Superannuation, etc.	2,64	2,68	2,65
				46. Stationery and Printing	17	10	10
				47. Miscellaneous	13,15	5,85	3,36
				Refunds	1,98	1,71	1,75
				Special Additions—			
				41. Civil Works—Viceregal Estates in India	2,94	1,67	1,53
Total	34,11	32,73	32,61	Total	65,09	57,17	50,06

* Excludes cost of Delhi Audit Office debitable to Part I.

†Figures exclude transactions pertaining to the Imperial Division at Debra Dun.

APPENDIX III.

COMMERCIAL AND FINANCIAL STATISTICS.

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Table I.—

	1914-1915.	1915-1916.	1916-1917.
Recorded revenue compared with recorded expenditure excluding Capital Expenditure on Railways, Irrigation works, Telegraphs and the Delhi Capital not charged against Revenue—			
Surplus . . . . . R	...	...	11,21,72,550
Deficit	2,67,79,050	1,78,29,915	...
Capital Expenditure on Railways and Irrigation Works not charged against Revenue . . . . . R	17,44,95,510	8,38,35,975	3,57,66,465
Capital outlay on the Indian Postal and Telegraph Department not charged against Revenue . . . . . R	...	... 49,69,110	 36,64,455
Initial Expenditure on new Capital at Delhi . . . . R	54,05,415	...	...
India's Financial Contribution to the War	...		
Net Public Debt incurred . . . . . R	4,09,09,410	3,56,97,510	11,56,72,620
Net Public Debt incurred, including Capital transactions with Railway Companies . . . . . R	8,59,50,444	8,64,25,637	11,29,52,367
Value of commodities exported, excluding Gold and Silver . R	1,82,17,60,000	1,99,48,00,000	2,47,37,70,000
Ditto imported, ditto ditto . R	1,44,93,10,000	1,38,16,90,000	1,60,24,90,000
Excess of Exports over Imports, excluding Gold and Silver . R	37,24,50,000	61,31,10,000	87,12,80,000
Net Imports of Gold . . . . . R	7,64,70,000	†—*1,10,90,000*	13,23,50,000
Ditto of Silver . . . . . R	8,87,20,000	4,83,00,000	18,80,00,000
TOTAL NET IMPORTS OF GOLD AND SILVER . . R	16,51,90,000	3,72,10,000	32,03,50,000
Excess of Exports over Imports including Gold and Silver . R	20,72,60,000	57,59,00,000	55,09,30,000
Net Imports of Currency Notes*. . . . . R	...	...	...
Excess of Exports over Imports including Gold, Silver and Currency Notes . . . . . R	20,72,60,000	57,59,00,000	55,09,30,000
Secretary of State's Bills sold (Rupees) . . . . . R	§ 11,61,88,392	§30,36,57,471(*a*)	§49,04,34,364 (*a*)
Sterling Equivalent received . . . . . £	§7,748,112	§20,354,517(*a*)	§32,998,095 (*a*)
Silver coined at the Indian Mints . . . . . R	2,17,95,335	1,62,02,199	30,77,07,326
Maximum price in pence of an oz. troy standard Silver in London	27¼ (30th Apl.).	28 1/16 (31st March 1916.)	38 7/16 (13th Feby. 1917).
Minimum ditto ditto .	22⅛ (13th and 14th Novr.).	22⅜ (5th Aug. 1915.)	28⅝ (10th July 1916).
Average Exchange upon Secretary of State's Bills sold per rupee .	1*s.* 4·004*d.*	1*s.* 4·087*d.*	1*s.* 4·148*d.*
Rate of Exchange for the adjustment of transactions between the Indian and Imperial Treasuries	1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*
Maximum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta.	6(1st to 30th Apl. and 5th Nov. to 31st Dec. 1914 and 1st Jan. to 31st March 1915).	8 (20th Jan. 1916 to 31st March 1916.)	8 (1st to 13th April 1916 and 9th Nov. 1916 to 21st Feb. 1917.)
Minimum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta	3(9th July to 5th Aug.).	5 (2nd June to 22nd Sept.).	5 (22nd June to 13th Sept.)
Maximum rate of discount at the Bank of England . . .	10 (from 1st to 5th Aug. 1914).		6 (13th July 1916 to 17th Jany. 1917.)
Minimum ditto ditto . . .	(from 1st Apl. to 29th July).	5 (1st Apl. 1915 to 31st Mar. 1916.)	5 (1st April to 12th July 1916.)
Maximum Government balances at the Imperial Bank of India R	10,12,86,000(Aug.)	8,87,07,000 (Aug.)	10,11,86,000(Mar.)
Minimum ditto ditto R	4,84,03,000(Nov.)	4,42,76,000 (Nov.	4,84,33,000 (May)
Maximum price in Calcutta of 5 per cent. War Loan, 1929—47 .	...	...	...
Minimum ditto ditto .	...	...	...
Maximum price in Calcutta of 5 per cent. income-tax free loan, 1945—55	...	...	...
Minimum ditto ditto .	...	...	...
Maximum price in Calcutta of Government 3½ per cent Rupee Securities (Guaranteed)	96-1 (from 14th to 15th and 17th to 25th July 1914).	93-2 (5th to 11th June 1915.) (*d*)	82 (7th and 11th to 14th April 1916.)
Minimum ditto ditto .	91-8 (13th to 31st March).	79⅛ (23rd Dec. 1915 to 6th Jan. 1916.)	69 (22nd Feb. to 2nd March and 20th to 31st March 1917.)
Maximum price in Calcutta of 3 per cent. Rupee Securities . .	83 (1st April to 4th Aug. 1914).	80 (1st Apl. to 28th June 1915.)	70 (5th to 20th April 1916.)
Minimum ditto ditto .	77 (31st Aug. to 3rd Sept. 1914).	67½ (23rd Dec. 1915 to 6th Jan. 1916.)	59 (22nd Feb. to 2nd March and 20th to 31st March 1917.)
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts . . . . . R	9,95,58,000(Apl.)	9,66,98,000 (Apl.)	8,76,76,000 (Apl.)
Minimum ditto ditto . R	73,00,000(Mar.)	8,81,17,000 (Dec.)	8,30,42,000 (Mar.)
Maximum price in London of 3½ per cent (Rupee Securities in Gold) .	63⅞ (May) 63 (July)	No quotation.	No quotation.
Minimum ditto ditto .			
Maximum price in London of India 3½ per cent Stock . .	90½ (Apl	82⅝ (May).	80 7/16
Minimum ditto ditto .	80¾ (Mar.)	80¾ (Apl.)	62¾
Maximum price in London of India 3 per cent Stock . . .	77¼ (Apl.)	70¼ (Apl.)	69⅜
Minimum ditto ditto .	69¼ (Mar.)	69¼ (Apl.)	55½
Maximum price in London of India 2½ per cent Stock . . .	64 (Apl.,	59⅝ (Apl.)	57⅛
Minimum ditto ditto .	58 (Jan.)	57 (May.)	47
Maximum price in London of 7 per cent Stock	...	...	...
Minimum ditto ditto	...	...	...
Maximum price in London of 5½ per cent Stock	...	...	...
Minimum ditto ditto	...	...	...
Maximum price in London of 4½ per cent Stock	...	...	...
Minimum ditto ditto	...	...	...
Maximum Government Paper Currency outstanding . . R	75,44,53,000(July)	68,06,10,000(July)	86,37,52,000(Mar.)
Minimum ditto ditto R	59,54,67,000(Feb.)	60,24,42,000 (Apl.)	65,46,90,000 (Apl.)
Number of Post Office Savings Banks	10,161	10,386	10,421
Number of accounts in Post Office Savings Banks . . .	1,644,074	1,660,424	1,647,419
Amount deposited in Savings Banks . . . . . R	14,89,26,323	15,32,12,517	16,59,53,401
Average of each deposit	90·58	6,194	100·73
Net addition to deposits . . . . . R	—8,27,49,144	42,892·27	1,27,40,884

§Include remittances of the Gold Standard Reserve.
*Recorded from April 1922.

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FINANCIAL STATISTICS.

Miscellaneous.

1917-1918.	1918-1919.	1919-1920.	1920-1921.	1921-1922.	1922-1923, Revised.	1923-1924. Budget.
12,13,06,110	...	...	...	...	...	80,66,000
...	5,73,06,135	23,65,28,825	26,00,85,276	27,65,01,700	17,25,35,000	...
5,91,66,825	7,64,13,315	14,42,99,228	26,55,72,106	22,97,57,115	20,18,05,000	38,64,17,000
...	...	...	...	81,61,617	1,10,36,000	94,30,000
37,58,145	42,86,895	50,35,427	1,25,75,011	1,35,27,418	1,91,50,000	1,97,00,000
1,50,00,00,000	...	...	...	...	...	...
1,73,76,00,090	11,47,30,575	8,90,70,517	52,34,07,498	49,19,30,108	25,30,36,000	27,65,56,000
1,72,94,94,174	10,22,96,861	8,22,22,396	51,76,91,284	49,75,33,002	24,97,14,000	27,65,56,000
2,44,90,40,000	2,55,30,90,000	3,36,02,20,000	2,67,64,40,000	2,48,65,80,000	(*b*)2,82,78,10,000	
1,64,35,50,000	1,88,56,20,000	2,21,70,20,000	3,47,13,50,000	2,80,41,20,000	(*b*)2,24,93,70,000	
80,54,90,000	66,74,70,000	1,14,32,00,000	(*c*)—79,49,10,000	(*c*)—31,75,40,000	(*b*)57,84,40,000	
25,17,80,000	†—5,56,40,000	35,33,00,000	2,10,80,000	†—2,86,40,000	(*b*)35,12,00,000	
19,04,20,000	67,91,90,000	29,22,90,000	6,48,40,000	15,09,60,000	(*b*)17,09,10,000	
44,22,00,000	62,35,50,000	64,55,90,000	8,59,20,000	12,28,20,000	(*b*)52,21,10,000	
36,32,90,000	4,39,20,000	49,76,10,000	(*c*)—88,08,30,000	(*c*)—43,98,60,000	(*b* 5,63,30,000	
...	...	...	...	...	(*b*)1,01,50,000	
36,32,90,000	4,39,20,000	49,76,10,000	(*c*)—88,08,30,000	(*c*)—43,98,60,000	(*b*)4,61,80,000	
§50,63,87,176(*a*)	(*a*)28,65,41,000	34,54,98,000	...	...	4,75,00,000	
§34,880,682(*a*)	(*a*)20,946,314	31,226,219	...	...	3,270,000	
23,87,07,287	52,05,35,300	37,72,19,758	3,41,30,039	1,60,86,638	63,36,608	
55 (21st to 24th Septr. 1917).	50 (28th March 1919).	89½ (11th Feb. 1920).	72⅛ (7th April 1920).	43⅜ (27th Sept. 1921).	37⅛ (22nd May 1922).	
36 9/16 (13th to 17th April 1917).	45¼ (8th to 10th Apl. 1918.)	48 9/16 (4th April and 6th May 1919).	30 5/8 (5th March 1921).	32⅛ (23th Feb.& 2nd Mar. 1922).	30⅜ (15th Dec. 1922).	
1*s.* 4·536*d.*	1*s.* 5·544*d.*	1*s.* 9·691 *d.*	...	...	1*s.* 4·522*d.*	
1*s.* 4*d.* and 1*s.* 5*d.*	1*s.* 5*d.* and 1*s.* 6*d.*	1*s.* 6*d.*, 1*s.* 8*d.*, 2*s.*, 2*s.* 4*d.*, and 2*s.* 9*d.*	2*s.* 8*d.*, 2*s.* 4*d.*, 2*s.* 2¼*d.*, 2*s.*, 1*s.* 11*d.*, 1*s.* 10¼*d.*, 1*s.* 8¼*d.*, 1*s.* 5½*d.* 1*s.* 6*d.*,& 1*s.* 4¾*d.*	1*s.* 3¼*d.*, 1*s.*3½*d.* 1*s.* 3¾*d.*, 1*s.* 4*d.*, 1*s* 5*d.*, and 1*s.* 5½*d.*	1*s.* 3¼*d.*, 1*s.* 3½*d.*, 1*s.* 3¾*d.*, 1*s.* 4*d.*, and 1*s.* 4½*d.*	
6 (1st April to 6th Septr. 1917 and 3rd Jany. to 31st March 1918.)	7 (16th Jan. to 26th Mar. 1919).	7 (12th to 31st Mar. 1920).	7 (1st Apl to 9th June 1920, 18th Nov. 1920, to 2nd Mar. 1921).	8 (16th Feb. to 31st March 1922).	8 (1st to 26th Apl. 1922 and from 11th Jan. 1923).	
5 (7th Septr. 1917 to 2nd Jany. 1918.)	5 (23rd May to 6th Novr. 1918)	5 (5th June 1919 to 14th Jan. 1920).	5 (1st July to 3rd Nov. 1920).	5 (2nd June to 14th Dec. 1921).	4 (6th July to 25th Oct. 1922).	
5½ (2nd to 4th April 1917.)	5 (1st Apl. 1918 to 31st Mar. 1919).	6 (6th Novr. 1919 to 31st Mar. 1920.)	7 (15th April 1920 to 31st Mar. 1921.)	7 (1st Apl. to 1st May 1921).	4½ (1st to 12th April 1922).	
5 (5th April 1917 to 31st March 1918.)		5 (1st April 1919 to 5th Nov. 1919).	6 (1st to 14th April 1920)	4½ (16th Feb. to 31st March 1922).	3 (13th July 1922 to 27th Feb. 1923).	
22,65,24,000(June)	18,60,47,000(Sept.)	18,26,33,000 (Feb.)	20,38,41,000(July)	25,87,46,000 (31st July).	33,19,07,000 (28th July).	
7,37,68,000 (Nov.)	6,54,89,000 (Apl.)	7,04,52,000(Sept.)	5,84,98,000 (Feb.)	5,34,64,000(18th Nov.)	8,22,54,000 (10th Nov.)	
...	93	95	90	87	86—6	
...	90	90	77	78	81—6	
...	...	95½ to 96	95 to 95	89	91—4	
...	...		78½	80	87	
70 (6th to 14th Sep. and 31st Oct. 1917 to 7th Feb. 1918.)	81 (7th to 21st Nov. 1918.)	71 (1st April to 17th May).	60 (1st to 16th April 1920 and 5th to 15th January 1921).	62 (30th & 31st May 1921).	59 (11th to 16th May 1922 and 26th Feb. 1923).	
67 (20th June to 24th Aug. 1917.)	65 (3rd May to 24th June 1918).	60 (27th Feb. to 31st Mar. 1920).	52 (1st Nov. to 22nd Dec. 1920)	55-10 (from 3rd March)	55—8 (1st to 17th April).	
60 (6th to 14th Sep. and 31st Oct. to 16th March 1918.)	69 (5th to 22nd Nov. 1918).	62 (1st April to 17th May).	50 (1st April to 5th Oct. 1920 and 5th to 15th January 1921).	53 (31st May & 1st June 1921).	50—9 (9th to 22nd May 1922 and from 26th Feb. 1923).	
57 (20th June to 24th Augt. 1917.)	58 (11th Apl. to 24th June 1918.)	50 (27th Feb. to 31st Mar. 1920).	42 (1st Nov. to 22nd Dec. 1920)	47 (1st to 4th Apl. 1921).	47—12 (1st to 18th April 1922).	
8,06,95,000(Apl.)	8,17,24,000 (Mar.)	8,16,74,000 (Apl.)	6,65,19,000 (Apl.)	7,80,08,000 (Feb.)	10,50,48,000(Nov.)	
7,47,56,000(March)	7,34,70,000(July)	7,43,58,000 (Dec.)	6,13,12,000 (Sep.)	6,36,30,000 (Apl.)	9,68,19,000 (May)	
52	54	74	63¾	42½	38½	
44⅜	44	49½	33½	34⅜	34⅜	
69⅞	74	69⅜	61	63¼	69⅜	
61¾	62	54⅛	51⅛	55⅛	62¼	
60½	64	60¾	53	55⅛	59⅝	
53	53¼	47⅛	43½	47¼	# 53⅛	
50	53⅞	50¾	43	46⅝	50⅛	
45⅛	44¾	40	37⅜	39⅜	44½	
...	...	...	...	108¼	119⅜	
...	...	...	...	102⅜	108	
...	...	...	...	94⅛	101⅛	
...	...	...	...	59¾	93⅞	
...	...	...	...	...	85½	
...	...	...	...	...	83⅝	
,14,76,87,000.(Oct.)	1,53,46,48,000 (Mar.)	1,85,14,79,000 (Jan.)	1,70,73,89,000 (April)	1,79,71,49,000 (Oct.)	1,82,26,25,000 (Aug.)	
32,72,35,000 (Apl.)	1,05,96,05,000 (Apl.)	1,53,72,07,000 (April).	1,57,62,32,000 (Sept.)	1,67,31,85,000 (Apl.)	1,71,76,07,000 (Apr.)	
10,975	10,587	10,670	10,713	10,758		
1,637,600	1,677,407	1,760,442	18,77,957	19,58,324		
16,58,46,470	18,82,44,749	21,34,84,628	22,86,21,716	22,26,24,825		
101·27	112·22	121·26	121·73	113·68		
—1,06,931	2,23,98,279	2,52,39,787	1,51,37,088	—59,96,891		

s) Include remittance of the Currency Department. (*b*) Figures for 11 months (April to February). † Represents net exports of gold.
(*c*) Net imports.

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table II.—Capital Expenditure on State Railways in 1921-1922, and Estimated Expenditure on such works in 1922-1923 and 1923-1924, and to end of 1923-1924.

Railways.	To end of 1920-1921.	Accounts, 1921-1922.	Revised Estimate, 1922-1923.	Budget Estimate, 1923-1924.	To end of 1923-1924.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
OPEN LINES.								
State Railways Worked by State.								
Aden Railway	9,89,909	2,25,987	1,99,000	83,000	14,97,896	...	...	
Delhi (new Capital) Railway Works scheme .	3,63,993	11,77,156	27,32,000	26,00,000	68,73,149	...	...	
Eastern Bengal	39,05,69,990	1,12,46,622	71,00,000	1,25,28,000	42,14,44,612	...	...	
Jodhpur-Hyderabad (British Section) . .	46,17,925	40,951	2,86,000	3,00,000	52,44,876	...	...	
North Western :—								
Commercial	97,79,82,296	2,86,15,379	1,37,12,000	3,21,11,000	1,05,24,20,675	...	...	
Military		16,71,088	51,43,000	16,85,000	84,99,088	...	...	
Oudh and Rohilkhand	23,88,17,261	68,31,211	80,95,000	1,22,50,000	26,59,93,472	...	...	
Stores	48,74,534	—34,04,226	44,68,000	1,02,14,000	1,61,52,406	...	...	
Abandoned projects	32,86,316	..	...	...	32,86,316	...	...	
Kharanpara coalfield	...	...	14,00,000	...	14,00,000	...	..	
Total State Railways worked by State	1,62,15,02,324	4,64,04,166	4,31,35,000	7,17,71,000	1,78,28,12,490	...	...	

Appendix III—*continued.*

Railways.	To end of 1920-1921.	Accounts, 1921-1922.	Revised Estimate, 1922-1923.	Budget Estimate, 1923-1924.	To end of 1923-1924.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
OPEN LINES.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
State Railways Worked by Companies.								
Ahmedabad-Dholka	...	...	13,00,000	...	13,00,000	...	...	
Agra-Delhi Chord	1,50,35,845	78,278	60,000	1,92,000	1,53,66,123	...	...	
Assam-Bengal Part I	17,41,30,999	6,714	45,000	25,000	18,90,92,949	...	...	
" II		52,42,236	50,38,000	46,05,000		...	...	
Baran-Kotah	49,50,604	9,197	2,000	10,000	49,71,801	...	...	
Bengal-Nagpur Railway	48,45,04,356	3,90,19,317	3,15,87,000	3,20,00,000	58,71,10,673	...	...	
Bezwada Extension	13,01,307	39,793	70,000	3,36,000	17,97,600	...	...	
Bhopal	44,10,784	73,655	63,000	2,48,000	47,95,439	...	...	
Bombay, Baroda and Central India	49,80,40,089	1,69,75,039	2,97,50,000	3,20,00,000	57,67,65,128	...	...	
Burma	20,38,72,355	57,66,559	65,90,000	60,97,000	22,55,90,398	...	...	
Burma Railway Extensions		74,484	19,12,000	22,78,000		...	...	
Cawnpur-Banda	81,59,740	16,685	50,000	95,000	83,21,425	...	...	
Coonoor-Ootacamund	47,42,664	1,81,086	39,000	1,52,000	51,14,750	...	...	
Dhone-Kurnool	10,18,342	...	12,000	5,000	10,35,342	...	...	
East Indian including South Behar	76,05,85,313	2,40,87,918	1,77,80,000	3,04,65,000	83,29,18,231	...	...	
Great Indian Peninsula Railway System	70,85,65,580	2,23,56,529	86,09,000	3,17,96,000	77,13,27,109	...	...	
Lucknow-Bareilly	1,39,19,285	75,633	26,82,000	3,50,000	1,70,26,918	...	...	
Madras and Southern Mahratta Railway	40,53,98,251	81,65,722	85,11,000	1,84,60,000	44,05,34,973	...	...	
South Indian	16,66,75,770	1,40,96,625	1,51,44,000	1,66,28,000	21,25,44,395	...	...	
Southern Shan States (Thazi Aungban)	1,63,17,450	4,36,344	1,34,000	75,000	1,69,62,694	...	...	
Tinnevelly Quilon (British Section)	43,67,521	5,228	50,000	1,10,000	45,32,749	..	...	
Ditto (Indian State Section)	1,18,69,573	13,72,695	3,78,000	1,10,000	1,37,30,268	...	...	
Tirhoot Railway and Extensions	8,20,77,267	12,89,641	17,70,000	15,09,000	8,66,36,908	...	...	
Total State Railways worked by Companies	3,56,99,43,595	13,93,69,278	13,15,76,000	17,65,87,000	4,01,74,75,873	...	...	
Total Open Lines						...	...	

Appendix III—*continued.*

Railways.	To end of 1920-1921.	Accounts, 1921-1922.	Revised Estimate, 1922-1923.	Budget Estimate, 1923-1924.	To end of 1923-1924.	Sanction d outlay.	Balance remaining unspent.	Remarks.
Total Open Lines brought forward	Rs.	Rs.	Rs.	Rs	Rs.	Rs.	Rs.	
LINES UNDER CONSTRUCTION.								
State Railways worked by State.								
Khyber Railway (Military line)	10,39,707	61,72,587	69,87,000	54,00,000	1,95,99,294	1,96,85,820	86,526	
State Railways worked by Companies.								
Amda Jamda	28,33,492	29,47,249	38,07,000	28,33,000	1,24,20,741	73,17,636(*a*)	...	(*a*) Revised Estimate awaited.
Bermo Duneya Section—								
East Indian Railway share	78,000	1,64,581	9,63,000	2,52,000	14,57,581	26,37,771(*a*)		(*b*) Estimate amounting to Rs. 97,66,289 is under consideration.
Bengal Nagpur Railway share	98,199	5,88,050	9,63,000	3,63,000	20,12,249			
Bombay Harbour Branch Extension	35,85,058	12,99,481	13,95,000	16,55,000	79,34,539	71,97,901(*b*)		
Vizagapatam Harbour	9,77,115	3,36,536	7,05,000	...	20,18,651	(*c*)		(*c*) Construction estimate not yet received.
Itarsi-Nagpur and branch to Pench Valley Coalfields	2,77,62,630	23,26,605	10,50,000	45,36,000	3,56,75,235	3,09,83,163(*d*)		
Kasta Branch	14,87,000	8,75,716	2,43,000	...	26,05,716	26,04,683		
Onlajori Badampahar Branch	12,59,316	8,86,529	2,46,000	...	23,91,845	30.15,595	7,23,750	(*d*) A revised estimate for Division No. 4 is under consideration.
Parvatipore Singapore Road	3,00,426	9,468	...	...	3,09,894	40,31,059(*e*)	37,21,165	
Majri Rajpur	...	1,76,564	10,00,000	14,20,000	25,96,564	22,11,387(*f*)		
South Kharanpura coal fields—							...	
Bengal Nagpur	...	76,222	2,84,000	11,41,000	15,01,222	31,63,385(*g*)		(*e*) The project is at present in abeyance.
East Indian	...	6,137	4,64,000	10,34,000	15,04,137		1,58,026	
Dholka-Dhanduka	5,73,767	5,26,209	15,00,000	4,76,000	30,75,976	31,03,674	27,698	
Talchir coal fields	...	...	5,43,000	45,00,000	50,43,000			
„ prospecting survey	...	...	97,000	...	97,000	96,613*	...	(*f*) Revised estimate amounting to Rs. 31,16,831 is under consideration.
Hesla Chandil	...	...	2,00,000	45,00,000	47,00,000			
South Karanpara prospecting survey	...	...	2,24,000	...	2,24,000	2,21,376*		(*g*) Revised estimate awaited.
Total Lines under construction	3,99,94,710	1,63,91,934	2,06,71,000	2,81,10,000	10,51,67,644			* Construction estimate awaited.
Lapse in 1922-23, to be reallotted in 1923-24	...	...	...	8,63,95,000	8,63,95,000			
Reserve	...	...	...	78,16,000	78,16,000			
Readjustment of capital outlay in England of Railway Companies at the average rate	—26,12,021	1,20 56,347	...	...	94,44,326			
Deduct—Lapses anticipated	...	...	- 91,59,000	...	—91,59,000			
Total	5,22,88,28,608	21,42,21,725	18,62,23,000	37,06,79,000	5,99,99,52,333			
Provincial—								
Jorhat	11,41,094	1,43,042	...	...	12,84,136			
United Provinces—Resin distillery	1,72,931	...	...	...	1,72,931			
Burma	19,51,576	35,19,690	...	...	54,71,266			
GRAND TOTAL	5,23,20,94,209	21,78,84,457	18,62,23,000	37,06,79,000	6,00,68,80,666			

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Appendix III—*continued.*

Railways.	To end of 1920-1921.	Accounts, 1921-1922.	Revised Estimate, 1922-1923.	Budget Estimate, 1923-1924.	To end of 1923-1924.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Grand Total brought forward	5,23,20,94,209	21,78,84,457	18,62,23,000	37,06,79,000	6,00,68,80,666			
Distributed as under—								
Capital Expenditure on Railways (not charged to Revenue)—								
53. Construction of Railways . . .	3,84,00,86,214	22,96,38,935	20,16,05,000	38,63,95,000	4,65,77,25,149			
Total undischarged liability involved in the purchase by the State of the Capital of the Old Guaranteed Railway Companies.	1,24,51,47,240*	—1,54,17,210*	—1,53,82,000	—1,57,16,000	1,20,26,32,030			
Capital Expenditure on Railways (charged to Revenue)—								
13. Construction of Railway—								
Central	13,31,95,909	...	...	...	13,31,95,909			
Provincial	96,64,846	36,62,732	...	...	1,33,27,578			
Total as above	5,23,20,94,209	21,78,84,457	18,62,23,000	37,06,79,000	6,00,68,80,666			

Class and name of Railway.	Total initial liabilities.	Deduct—		Total undischarged liabilities.
		Amount redeemed by annuities.	Amount redeemed by sinking fund.	
	Rs.	Rs.	Rs.	Rs.
State Railways worked by the State—				
Eastern Bengal Railway	4,92,01,450	58,87,060	28,82,270	4,04,32,120
North Western Railway	14,00,95,290	1,77,87,640	2,36,68,270	9,86,39,380
Oudh and Rohilkhand Railway	10,33,60,490	...	...	10,33,60,490
Total .	29,26,57,230	2,36,74,700	2,65,50,540	24,24,31,990
State Railways worked by the Company—				
Bombay, Baroda and Central India Railway . .	14,48,04,460	...	...	14,48,04,460
East Indian Railway	37,51,10,740	5,84,17,300	4,04,16,880	27,62,76,560
Great Indian Peninsula Railway	47,51,06,680	9,54,80,010	...	37,96,26,670
Madras and Southern Mahratta Railway . . .	14,96,43,580	1,59,78,800	...	13,36,64,780
South Indian Railway	5,69,25,570	...	...	5,69,25,570
Total .	1,20,15,91,030	16,98,76,110	4,04,16,880	99,12,98,040
Grand total .	1,49,42,48,260	19,35,50,810	6,69,67,420	1,23,37,30,030

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Gross receipts, working expenses, and net receipts of State Railways for five years ending 1921-22, with Revised Estimates for 1922-23 and Budget Estimates for 1923-24.

(Omitting 000, except in Accounts.)

State Railways.	Accounts. 1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
	M.	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*
Open mileage at beginning of year	26,572	26,464	26,106	26,580	26,799	26,952	27,108
Gross Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
INDIA.							
State Railways worked by the State.							
Aden	1,43,485	2,00,020	1,20,109	2,69,639	2,50,523	2,28	2,10
Eastern Bengal	3,48,74,771	3,82,07,444	4,45,45,072	4,61,08,642	4,42,96,639	5,32,27	5,38,00
North Western—							
Commercial Lines	12,24,77,224	12,46,94,829	12,32,80,625	12,97,73,559	11,34,90,666	12,33,45	12,77,65
Military Lines					1,64,24,789	1,78,17	1,90,35
Oudh and Rohilkhand	2,82,00,370	3,29,48,935	3,14,64,244	3,26,48,785	3,31,34,469	3,54,62	3,60,00
State Railways worked by Companies.							
Assam-Bengal	72,64,284	79,08,099	1,04,20,975	1,22,65,216	85,15,384	1,16,00	1,20,00
Bengal-Nagpur	5,58,76,074	6,19,41,370	6,59,31,392	6,39,37,399	6,67,91,163	7,72,49	8,07,42
Bezwada Extension	5,13,179	5,22,461	5,47,023	5,29,380	6,20,598	6,28	6,65
Bombay, Baroda and Central India System.	8,02,80,536	9,46,92,452	9,67,12,806	9,94,16,377	10,25,31,934	11,76,75	11,80,00
Burma	2,20,65,877	2,63,70,481	2,97,14,049				
Burma Railway Extensions	20,58,705	25,45,496	27,14,727	3,26,29,019	3,51,73,283	4,13,95	4,27,20
Southern Shan States	4,39,884	4,80,827	5,29,400				
East Indian	11,61,42,477	13,43,96,239	13,25,76,404	13,84,16,068	13,38,87,673	14,91,88	16,90,00
Great Indian Peninsula including Indian Midland	10,55,60,401	11,88,02,697	12,60,42,370	12,79,35,857	12,61,70,645		
Agra-Delhi Chord	33,67,179	44,50,953	46,98,873	50,30,667	47,07,855		
Bhopal	9,94,950	11,16,515	11,00,905	12,76,267	12,06,962	14,82,56	14,84,44
Baran-Kotah	1,61,978	1,83,314	1,88,936	1,62,889	1,77,242		
Cawnpore-Banda	3,08,939	3,20,819	3,73,187	3,89,254	4,50,307		
Jodhpur-Hyderabad (British Section)	19,53,656	19,90,444	15,81,739	18,78,972	19,14,178	18,10	18,35
Lucknow-Bareilly	26,74,674	31,54,296	30,02,910	29,81,726	35,02,136	35,54	36,70
Madras and Southern Mahratta Railway.	5,20,76,904	5,42,92,629	5,73,95,956	6,22,45,540	6,55,08,869		
Mysore State lines	41,47,617	44,48,501	41,36,445			7,24,80	7,25,19
Dhone-Kurnool	1,20,216	1,48,714	1,76,829	1,82,083	1,85,177		
South Indian	3,53,61,272	3,58,90,979	4,01,48,113	4,27,06,378	4,59,62,936	5,12,75	5,41,10
Tinnevelly-Quilon	11,46,203	15,11,462	18,44,613				
Tirhoot	92,55,829	1,09,19,483	1,11,33,060	1,09,91,316	1,20,23,949	1,48,11	1,44,85
Exchange	...	...	...	...	...	2,42	2,41
Total Central	68,74,66,684	76,21,39,459	79,01,40,545	80,97,75,233	81,69,27,377	92,02,42	95,52,41
India				80,92,89,163	81,64,42,250	92,02,42	95,52,41
England	16,09,425	3,08,925	7,29,105	4,86,070	4,85,127	4,84	4,83
Total	68,90,76,109	76,24,48,384	79,08,69,650	80,97,75,233	81,69,27,377	92,07,26	95,57,24

Appendix III—*continued.*

State Railways,	Accounts. 1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Working Expenses.							
INDIA.							
State Railways worked by the State.							
Aden	1,75,253	2,56,014	—48,185	2,16,857	3,24,009	3,06	2,80
Eastern Bengal	2,01,05,680	2,25,04,170	3,02,66,454	2,98,24,284	3,76,49,787	4,31,03	4,10,77
North Western—							
Commercial lines	5,24,46,336	6,86,38,796	8,04,38,819	10,09,84,480	10,33,44,038	9,71,33	9,18,58
Military lines					2,46,08,721	2,38,75	2,35,81
Oudh and Rohilkhand	1,07,12,455	1,32,83,182	1,82,62,800	1,94,62,004	2,58,18,184	2,70,61	2,43,21
State Railways worked by Companies.							
Assam-Bengal	55,08,773	62,66,776	84,18,871	83,01,024	84,38,775	94,37	93,67
Bengal-Nagpur	2,63,97,566	3,03,67,272	3,88,42,829	4,38,60,570	5,33,17,921	4,40,95	4,84,09
Bezwada Extension	2,44,255	1,68,179	2,48,211	2,87,307	4,53,144	4,86	10,03
Bombay, Baroda and Central India System.	3,50,50,406	4,19,55,223	5,33,70,406	6,75,12,138	7,99,28,942	8,65,00	7,65,00
Burma Railways	1,17,98,856	1,38,97,390	1,62,64,108		...		
Burma Railway Extensions	11,19,275	14,27,905	17,16,303	2,21,87,533	2,47,26,298	2,50,57	2,43,62
Southern Shan States	4,16,935	4,53,119	5,29,640		...		
East Indian	4,08,74,776	4,65,18,866	5,88,77,044	7,40,71,007	8,57,40,108	9,84,58	9,77,20
Great Indian Peninsula including Indian Midland	5,71,01,787	6,96,05,861	7,86,59,628	9,67,79,411	11,80,71,491		
Agra-Delhi Chord	17,92,510	25,44,969	29,41,579	38,72,250	43,05,257		
Bhopal	5,29,657	6,37,130	6,90,091	9,82,380	11,03,748	11,38,09	10,81,73
Baran-Kotah	80,989	91,657	94,468	1,62,889	1,16,928		
Cawnpore-Banda	1,79,755	1,99,214	2,54,308	3,19,083	4,34,314		
Jodhpore-Hyderabad (British Section)	8,87,890	9,37,398	10,00,697	12,48,456	15,13,210	17,93	18,08
Lucknow-Bareilly	11,01,609	13,29,501	16,91,503	19,96,187	17,56,898	20,28	19,19
Madras and Southern Mahratta Railway	2,46,21,576	2,68,03,903	3,17,82,724	4,17,61,942	4,59,12,876	4,77,95	4,83,75
Mysore State lines	19,91,442	22,00,032	22,76,326				
Dhone Kurnool	73,322	87,891	1,07,174	1,29,317	1,39,434		
South Indian	1,52,01,322	1,57,04,971	2,18,16,709	2,56,95,051	3,34,02,156	3,69,07	3,38,08
Tinnevelly Quilon	6,68,841	7,05,884	11,03,963				
Tirhoot	43,76,248	40,64,400	49,49,391	54,83,297	55,71,764	65,42	61,57
Reserve	...	...	...	...	...	...	14
Deduct—Lapses anticipated	...	...	...	...	...	*50,00*	*85,82*
Total Central	31,34,57,514	37,06,49,703	45,46,55,861	54,51,37,464	65,66,78,003	65,83,35	63,01,50

GOVERNMENT OF INDIA

FINANCE DEPARTMENT

BUDGET FOR 1924-25

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GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

BUDGET FOR 1924-25.

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Speech of the Finance Member

INTRODUCING THE

BUDGET FOR 1924-25.

INTRODUCTORY.

SIR,

If precedent had been followed, I should not now be opening my Budget. It has been the practice in past years for the financial statement to be made on the morning of the 1st of March, and to be followed immediately by a motion for leave to introduce the Finance Bill. This year, I propose to introduce the Finance Bill on the 1st of March as usual: but I make my financial statement to-night out of regard for the convenience of almost every one concerned, except perhaps the Finance Member. The commercial community will be glad of the opportunity to study the budget announcements overnight instead of in the middle of a busy day; and I am also glad to be able to afford some slight relief to the devoted band of officials, who, on past occasions, have been kept at work all night in order to bring a new financial statement safely into the world in the morning. I am told that a record is being created in the presentation of the Government of India's Budget on the 29th February. But the choice of February 29th has no significance except that it happens this year to be the day before the 1st of March. The suspicion that to-day was chosen in order to enable us to impose taxes, which are annual taxes, until the 29th February, 1928 is, I hasten to assure the House, unfounded.

2. I had occasion a year ago to lament that I could not give exact figures for 1922-23 and had to be content with what I described as nothing more than a second guess, on the basis of nine or ten months' figures, of what the actual outturn would be of the Budget for the year then about to close. I had even better reason than I knew for this complaint. The figures which I then gave for 1922-23 showed revenue at a total of 121 crores and expenditure at a total of 138¼ crores, leaving a deficit of 17¼ crores. The actual figures show that I over-stated the deficit by no less than 2¼ crores. Revenue amounted to 121·41 crores and expenditure to 136·43 crores, leaving a deficit of 15·02 crores. The improvement was mainly under the head of Military Expenditure, where, in addition to other minor improvements, a sum of £800,000 provided as the Indian share of the cost of disbanding surplus troops was not, in the end, utilised. In view of this important difference between the revised Budget figure, to which some prominence is given in the annual Budget Statement, and the actual outturn, which receives practically no publicity, there will be bound up and circulated with the Budget speech a comparative table showing the actual outturn for each of the last ten years, which will, I think, be convenient to those who desire to study our finances.

3. My inability to present anything more than a second guess is even more vexing this year than it was a year ago. Last year, unhappily, the only question was how large the actual deficit would be; this year it may well be that the progress of revenue and expenditure in the last two months of the year may make all the difference between a surplus and a deficit on ordinary revenue. In every year but two of the last ten years the final outturn of the year has proved more favourable than the revised budget estimates have indicated.

4. The Budget estimates as finally settled a year ago provided for a surplus of 81 lakhs. The estimated revenue amounted to 134·90 crores and the estimated expenditure to 134·09 crores. I warned the House more than once that neither on the revenue nor on the expenditure side could the figures in the Budget estimates be counted upon with any great assurance. The revenue figures were arrived at

in a spirit of some optimism as to the prosperity of trade and commerce not altogether justified in the light of European conditions, while the expenditure figures assumed that we should succeed in introducing and giving full effect to retrenchments recommended by the Inchcape Committee with much greater rapidity than a cautious Finance Member could promise. The information available at the present date makes it clear that our revenue estimates were unduly sanguine. On the other hand, I am glad to be able to inform the House that we have succeeded in reducing expenditure to a figure considerably below the Budget estimate. The present indications are that the total revenue will amount to 129·52 crores as against an estimate of 134·90 crores and the total expenditure to 129·90 crores as against an estimate of 134·09 crores, leaving a deficit on ordinary revenue of 38 lakhs. I leave out of account a windfall, of which I shall have more to say later. I mention it here only in order to bring out the happy fact that, while the margin between ordinary revenue and expenditure, on the basis of our revised Budget, is so narrow as to make it impossible, till final figures are available, to say for certain whether there is a surplus or a deficit, we are (even on the most unfavourable assumption) sure of a considerable realised surplus after taking extraordinary revenue into account.

REVIEW OF THE YEAR 1923-24.

Revenue.

General.

5. As in 1922-23, so in 1923-24, we based our estimates on hopes not indeed of a boom in trade, but of a steady revival of which there seemed to be some signs early in the year. These hopes have, once again, not been fulfilled, although it seems likely that there will be in 1923-24 a record surplus of exports over imports. During the first ten months of the financial year, the surplus in value of exports of merchandise amounts to 103·47 crores as against 62¾ crores in the corresponding period last year and an adverse balance of 29·60 crores the year before. The net imports of bullion, although substantial, have not reached the figures of 1922-23, with the result that there remains a net balance after allowing for bullion of 63·42 crores in favour of India as against 20½ crores a year ago and an adverse balance of 33 crores in the first ten months of 1921-22.

6. The volume of our export trade has continued to expand. The chief increase is under grain and pulse, where it amounts to 600,000 tons in the first nine months of 1923-24, due almost entirely to a resumption of exports of wheat; but with scarcely any exception every class of goods shows some increase. This is true of imports also, which show a serious decline in two cases only. In one of these the House will be specially interested. The imports of coal into India fell by exactly a third, or by 284,000 tons in the first nine months of the current year when compared with those of the corresponding period of 1922-23. "Grey twist and yarn" and "Grey piece-goods" also declined, but the quantity of practically every other class of imports has increased, while at the same time there has usually been a small fall in values. The year has been one of fairly steady, though at times difficult trade, but favourable to India in the balance.

7. Prices of Indian products have on the whole remained remarkably steady throughout the year, with the exception of raw cotton which, owing to the uncertainty and the eventual shortage of the American supply, has been subject to considerable fluctuation. In November 1923 cotton prices reached their highest level since 1918. This has inevitably reacted upon the activities of the cotton industry. Food grains, on the other hand, have fallen steadily since April and the wholesale price of cereals in Calcutta in December last was only 5 per cent. above the level at the end of July 1914. Sugar showed a tendency to advance, whilst tea has been obtaining record prices. The prices of raw jute have been consistently below those prevailing at the similar periods in the preceding year.

The close of 1923 was characterised by somewhat firmer prices for raw materials in the chief markets of the world, and it is fair to say that there is a greater sense of security among producers and merchants than at this time last year. The period of large returns has, however, passed and several industries have still to adjust themselves further to lower rates of profit.

Customs.

8. The slow recovery of trade and the fall in prices of imported articles have resulted in our being once again disappointed in our Customs receipts. The actual figures for Customs receipts up to the end of January point to a net revenue for the year of 40·42 crores as compared with the Budget estimate of 45·10 crores. *Sugar* provides 1,15 lakhs less revenue than we had anticipated, and it is evident that under this head insufficient allowance was made for the reduced tariff valuation. While the volume of imports of other articles has in most cases not been unsatisfactory, the amount collected on account of our *ad valorem* duties has declined. We anticipate a decrease of 73 lakhs under imports of *piece-goods*, 58 lakhs under *metals*, and 35 lakhs under *cutlery and hardware*, while owing to adverse conditions in the Bombay mill-industry the *excise duty* on *cotton manufactures* will fall short of the Budget by 38 lakhs.

9. To the extent of about 50 lakhs the failure of Customs revenue to fulfil our expectations is due to the decision of the Bombay High Court that stores imported by Railway Companies working State lines come under the definition of "Government stores" and have to be passed free of duty. An appeal has been preferred to the Privy Council against this judgment. If we are successful, we shall recover 50 lakhs from the Company managed Railways which will go to the Revenue side of the Budget of 1923-24. If, however, we are not successful, we shall not only fail to realise the 50 lakhs in question but we shall have to pay to the Railway Companies a further sum, estimated at about 2 crores, by way of refund of duty collected from them after the definition of "Government stores" on which we had always hitherto acted was brought into question before the Courts.

Railways.

10. The Budget estimate of gross receipts from Railways was placed at 95·57 crores. During the earlier part of the financial year the published figures of weekly earnings were unsatisfactory. They were considerably affected during the monsoon and again in December by breaches in important lines due to flood and storm. Since the middle of December, however, there has been a striking improvement in gross receipts which enables us to place our estimate for the whole year at the figure of 94·22 crores, which is only $1\frac{1}{3}$ crore less than the Budget estimate. On the other hand, we have effected a material reduction in working expenses and, in addition, the outgoings under the head of Programme Revenue expenditure have been less than we expected, and I may add, less than is really desirable in the interests of our Railway properties. The total saving in working expenses, as compared with the Budget, amounts to 1·93 crores. We thus anticipate an improvement of 58 lakhs in our net receipts.

Opium.

Posts and Telegraphs

11. Opium receipts exceed the estimate by 38 lakhs, but there is a decline of 22 lakhs in the net gain to Central revenues from the Posts and Telegraphs Department.

Interest, Currency, etc.

Under the heads of "Interest", "Currency" and "Miscellaneous", there is an improvement of 1,42 lakhs, largely due to the higher price for short money in London and to the fact that favourable opportunities for remittance have enabled us to build up large reserves in sterling which will be very useful to us during the coming year.

Salt.

12. Honourable Members will not suspect me of forgetting Salt. The Budget provided for a total salt revenue of $11\frac{3}{4}$ crores, including the additional $4\frac{1}{2}$ crores expected from the doubling of the duty. Circumstances which are not unfamiliar have had the effect of seriously interfering with the normal progress of salt revenue during the year. To begin with, there were very large issues of salt during January and February 1923 in anticipation of the enhancement of the duty. The hope of profiting by a reduction in duty in 1924-25 has now led traders, especially in Northern India, to reduce their stocks as far as possible. An examination of past statistics shows that the issues against consumption in a normal year would amount at the present time to approximately 4,95 lakhs of maunds. The actual issues for 1923-24 are expected to amount to about 3,80 lakhs of maunds. The over-issue during January and February 1923 may be put at approximately 36 lakhs of maunds, so that something like 80 lakhs of maunds represents the amount of salt which would have been issued but for the anticipation of a reduction of duty in the present Budget. I may add that I have been unable to find any evidence that the restricted issues have been accompanied by any reduction in actual consumption. In the result, we now anticipate that our total revenue from salt in 1923-24 will amount to $8\frac{3}{4}$ crores, which is 3 crores less than the estimate.

Expenditure.

Opium.

13. The only important excess of expenditure over the estimate occurs under the head " Opium ". It will be remembered that a supplementary grant of 77 lakhs was voted during the July session to enable us to meet an excess of payments to cultivators in the United Provinces and in the Central India States due to an increase in the outturn of the last crop. It is now expected that the excess will actually amount to 70 lakhs.

Discount on Treasury Bills, Interest on Rupee loans, etc.

14. There has been a substantial saving on the Budget provision for discount on Treasury Bills which reflects the great improvement in our ways and means position. On the 31st March 1922, Treasury Bills outstanding with the public reached the formidable total of 54 crores. This figure had been reduced to 22 crores on the 31st March 1923. On the 31st March 1924 it will be approximately 2 crores. It is not necessary for me to emphasise the great gain to our financial security which these figures disclose. With a large amount of debt maturing from day to day, all within a few months, we were in a serious position if any unhappy emergency had arisen. The Finance Department's constant anxiety was to know how to find the money if Treasury Bills had to be repaid, and they were often at the mercy of the market if the bills had to be renewed. The market also appreciates its release from constant demands by the Government for short money. Indeed, such is the perversity of human nature that the complaint now tends to be that there are not enough Treasury Bills to go round. The favourable rate at which the current year's rupee loan was issued has also resulted in a saving on the Budget provision for charges connected with new loans. There has been a small excess in the provision for new sterling loans owing to our having raised 18 million pounds in London instead of the 15 million pounds tentatively entered in the Budget statement. On the whole, we expect a saving of 74 lakhs in the gross interest charges on our debt.

Sinking funds.

15. Under the head of sinking funds, there is a net saving of 80 lakhs, as we have found it unnecessary, owing to the improved state of the Government securities market, to use any portion of the additional provision of 80 lakhs which has been made during the last few years for supporting the two long-term 5 per cent. rupee loans.

Military expenditure.

16. The Budget estimates of Military expenditure for 1923-24 amounted to 65·05 crores gross and 62 crores net. As has already been announced to the House, full effect has now been given to the reductions in British troops proposed by the Retrenchment Committee except in the case of one cavalry regiment and, though the full resulting economies will not accrue until 1924-25, His Excellency the Commander-in-Chief has found it possible by means of various economies to reduce the established charges of the Military services for 1923-24 to $60\frac{1}{4}$ crores as against the figure of 61·94 crores included in the original estimate. A non-recurrent credit of $2\frac{1}{4}$ crores from consumption or disposal of surplus stores was provided for in accordance with the recommendations of the Retrenchment Committee. The actual credit will amount to approximately 3 crores. On the other hand, the latest estimate of special expenditure in Waziristan is about 2 crores as against the figure of 1·69 crores included in the Budget. Gratuities, etc., for demobilised officers, for which 62 lakhs was provided, will cost us $1\frac{1}{2}$ crores.

17. All these figures include sterling expenditure converted into rupees at 16*d*., and on this basis the revised Military estimate stands at 60·20 crores net. From this total a sum of 46 lakhs has to be deducted representing the saving under the head of Exchange, making the net figure 59·74 crores—a total saving of 2,26 lakhs or, if exchange be excluded, of 1,80 lakhs.

18. The non-recurrent saving of 3 crores in respect of stores has of course been a prominent factor in keeping down our Military expenditure in 1923-24. Our position has also been materially assisted by a non-recurrent receipt of 41 lakhs. During the war temporary lines were constructed for a number of Indian Battalions raised for the British Government, and the cost of these lines was charged to the British Government. Since the termination of the war the lines have been gradually disposed of, but the British Government have only recently accepted our contention that the sale-proceeds belong to the Indian exchequer in consequence of the arrangement arrived at when the further contribution towards the expenses of the war was agreed to by India.

19. There has also been a saving of ½ crore under other heads of Civil Expenditure, but the largest saving on the expenditure side occurs under the head "Exchange." The rate of exchange has, except for a few days, stood above the figure of 1*s.* 4*d.* assumed for the purposes of the Budget for 1923-24. It has stood above 1*s.* 5*d.* almost continuously since November and the average rate for the current financial year is expected to work out to approximately 1*s.* 4½*d.* The resultant saving in net expenditure outside India, including Military expenditure and expenditure on commercial services chargeable to revenue, amounts to 128 lakhs. In addition, there is a saving in exchange of approximately 50 lakhs in respect of capital expenditure. Exchange.

20. The above variations in revenue and expenditure are summarised below :— Summary.

(In lakhs of rupees.)

	(+Better	—Worse)
Customs revenue, less	...	4,68
Salt revenue, less	...	3,05
Opium revenue, more	38	...
Net receipts from Railways, more	58	...
Net receipts from Posts and Telegraphs less (62 lakhs of the deterioration is nominal, due to the debit to the Department for the first time of the cost of pensions and to payment made for the stock of postage and telegraph stamps which have now been taken over by the Department)	...	1,24
Interest, Currency and Miscellaneous receipts, more	1,42	...
Military receipts, more	1,17	...
Loss by exchange on revenue realised in England as compared with 1*s.* 4*d.* rate assumed for Budget	...	13
Minor variations	17	...
Total	3,72	9,10
Net deterioration in revenue		—5,38
Opium expenditure, more	...	70
Saving under expenditure on stamps and superannuation allowances and pensions owing to transfers to the Posts and Telegraphs Department (see explanation above under Posts and Telegraphs receipts)	62	...
Saving in interest chargeable to Posts and Telegraphs and in capital outlay of the Department charged to revenue	40	...
Saving in gross interest payments	74	...
Smaller interest recoveries from Provincial Governments	...	25
Saving in provision for sinking funds	80	...
Saving in gross Military expenditure	63	...
Saving in exchange on gross expenditure in England as compared with 1*s.* 4*d.* rate assumed for Budget	1,41	...
Minor variations (mainly savings in Civil expenditure)	54	...
Total	5,14	95
Net saving in expenditure		+4,19
Net deterioration on Budget anticipations		—1,19
Surplus in Budget		81
Deficit now anticipated		38

Realised Surplus.

21. So far I have been dealing only with ordinary revenue and expenditure. The figures are so nearly equal that, although they point to a small deficit, it would not be surprising to find that the final figures show, after all, a small surplus on the ordinary Budget. We have, however, been fortunate enough to come in for a valuable legacy. There are certain sums which have for some time been lying in suspense and which represent the profits from the control of enemy ships and similar items. It has not hitherto been possible to say how much, if any, of these sums could be credited to Indian revenues. A great number of intricate problems had to be cleared up first and even to-day there is still some possibility of counter-claims being established against a portion of the amounts in question. But we are Windfall.

able to say with fair certainty that £3¼ millions (equivalent at 1*s.* 4½*d.* to 4·73 crores) representing profits from the control of enemy ships belong to India. Out of this sum the Government of India propose to reserve 25 lakhs for the payment of *ex gratia* grants to private individuals in consideration of losses suffered through enemy action. If the whole of the remainder of this windfall were credited to the revenue of 1923-24, there would be a surplus (including both ordinary and extraordinary revenue) of over 4 crores after allowing for the deficit of 38 lakhs provisionally entered on ordinary account.

22. In the absence of any special arrangement this surplus would, in the ordinary course, go automatically to debt reduction, and, in view of the deficits of previous years, it is clearly desirable that as much of it as possible should be so applied. An item of extraordinary revenue of this sort ought not to be used for meeting ordinary recurrent expenditure or, indeed, any expenditure normally chargeable against ordinary revenue. We have, however, still to provide the means of meeting the special charge of 2 crores for repayment to the Railways of customs duty on imported railway materials if the case goes against us in the Privy Council. This expenditure is, indeed, part of the expenditure properly chargeable to 1923-24 if it eventually has to be incurred. I therefore propose to retain 2 crores out of the available surplus temporarily in suspense pending the decision of the Privy Council. The remainder of the surplus, estimated at present at approximately 2,06 lakhs, will be applied automatically to the reduction or avoidance of new borrowings for capital expenditure.

GENERAL.

23. I do not propose to go again over the ground which I covered a year ago in reviewing the position of India's finances at the close of 1922-23. Broadly speaking it may be said that both in the provinces and in the Central Government the era of unbalanced budgets has now been brought to an end. We have got rid of practically all our embarrassments in regard to floating debt and can face the necessity of meeting short-term bonds which mature in the next few years with confidence. There is no longer any fear of our being forced to undesirable expedients, such as currency inflation, in order to meet our outgoings. And if the time has not yet come at which we can replace the present statutory, but inoperative, ratio of 2*s.* gold to the Rupee by an effective ratio, this is due not to our inability to maintain our currency in a sound condition but to a continuance of economic instability in other parts of the world, which makes immediate stabilisation unattractive.

24. The improvement in our position is happily reflected in the improved market price of all our rupee securities. On the 15th February 1923, the 5 per cent. tax-free loan 1945-55 was quoted at R88-10 ; on the 15th February 1924, it was quoted at R98. The quotation for the 5 per cent. loan 1929-47 has risen in the same period from R82-10 to R93-2. In 1923 we were able for the first time since 1919 to raise money by a long-term issue, and the improved quotations which I have mentioned give us good reason to hope that we may do even better in 1924-25. More important still, the general improvement in our position should enable us, as I shall show later on when I come to the Ways and Means Budget for the coming year, to avoid any new borrowing in London.

Post Office Cash Certificates.

25. One striking feature of the year 1923-24 is the increased popularity of our Post Office Cash Certificates. Originally issued in 1917, these certificates, thanks to a strenuous campaign for saving, were taken by the small investor to a total of 8 crores net during the period ending 31st March 1919. From that time onwards, year by year, repayments considerably exceeded new purchases and on the 31st March 1923 the total outstanding had been reduced to 3 crores. There is nothing which will give a greater stimulus to economic progress in India than the extension of the saving habit. The year 1923-24 has seen a very hopeful development in this direction. From the 1st April 1923 the terms on which Post Office Cash Certificates were issued were improved, so that they now offer a net yield of 6 per cent. compound interest to those who hold them till maturity. At the same time as the issue of new certificates began, endeavours were made in various directions to popularise them, with the result that during the ten months ending the 31st January 1924 a total of 6 crores gross and 4½ crores net (after allowing for repayments) was invested in this way to the great advantage both of the small investor who lent us the money and of the

Government of India who borrowed it, as well as of the Indian people as a whole who are richer individually by the amount of their savings and collectively by the productive capital assets in which these savings have been invested. It may shortly be necessary to reconsider the terms on which cash certificates are issued if, as seems probable, the Government of India are able to place rupee loans in the open market on terms which show a considerable improvement on the yield of about $5\frac{3}{4}$ per cent. subject to tax at which last year's loans were issued. But it is my earnest hope, and I trust that all Members of the Legislature will use their influence in the same direction, that the habit of investing in Post Office Cash Certificates will go on spreading throughout India and that both the number of small investors who take to the habit and the aggregate volume of their purchases will go on increasing.

26. The holders of all our securities in India have benefited by the general improvement in the outlook for Government finances, and not least those holders of our $3\frac{1}{2}$ per cent. rupee debt who bought or subscribed for that stock before the war at or near par. It will be remembered that the question of doing something to assist such holders was carefully examined a few years ago. But the conclusion reached, and indeed it was the only possible conclusion, was that the sound and sure way of alleviating their position is to restore the general stability of our finances. The rise in the quotation of the $3\frac{1}{2}$ per cent. rupee paper from its lowest point of ₹52 to a maximum figure of ₹66-2 during 1923, and the further rise which occurred early this month, when seasonal influences might have been expected to depress the price, is an earnest of what we may hope will prove a permanent recovery.

Debt.

27. I now come to our debt position. The figures which I am about to give are in a new form which is, I think, more comprehensive and accurate than the form hitherto adopted. The total debt of the Government of India on the 31st March 1924 will be constituted as follows :— Debt.

		(₹ Lakhs.)
In India—		
Loans	3,58,79	
Treasury Bills in the hands of the public	2,13	
Total in India	...	3,60,92
In England (at ₹15)—		
Loans	3,64,22	
War contribution	28,90	
Total in England	...	3,93,12
Unfunded—		
Post Office Savings Banks	24,87	
Cash Certificates	8,51	
Provident Funds, etc.	39,97	
Total unfunded	...	73,35
		8,27,39
Add—		
The Capital value of the liabilities undergoing redemption by way of Terminable Railway Annuities, amounting, on 31st March 1924, to £60,095,485, or at ₹15		90,14
Total debt		9,17,53

I have excluded Treasury Bills, amounting to 49·65 crores, held in the Paper Currency Reserve, as these represent a liability not entirely comparable to ordinary public debt. If, however, they are included, the gross total of the debt amounts to 9,67·18 crores. The corresponding total on the 31st March 1923 was 9,29·55 crores including a similar total of 49·65 crores of Treasury Bills in the Currency Reserve and 8,79·90 crores excluding these Treasury Bills.

28. Of the total on the 31st March 1924, 11·88 crores are due to the discount at which some of the loans were issued. This liability is treated as an interest charge under our system of book-keeping and is being extinguished by annual appropriations from revenue within the period of each loan. It should therefore be excluded from our total debt figure, which is thus reduced to 9,05·65 crores. Of this, 5,78·39 crores are classed as

productive debt and 2,28·45 crores as unproductive debt. The balance of 98·81 crores represents loans to Provincial Governments. These figures compare with 5,55·07 crores of productive debt and 2,29·11 crores of unproductive debt a year ago and 87·49 crores of loans to Provincial Governments. The rupee debt, which stood at 4,23·98 crores on the 31st March 1923, amounts to 4,34·27 crores on the 31st March 1924, while the sterling debt has risen from 304 million pounds on the 31st March 1923 to 322¼ million pounds on the 31st March 1924.

Proposals for debt redemption.

29. This brings me to the general question of the provision made annually in our expenditure for sinking funds. So long as we have a considerable annual programme of new productive capital expenditure, any provision for sinking funds operates, not to reduce the net total of our debt, but to reduce the amount of it which is unproductive, and the amount provided becomes in effect a contribution out of revenue towards productive capital expenditure. Instead, therefore, of speaking of such a provision by the convenient but misleading title of a sinking fund, it is preferable to describe it as a contribution out of revenue for reduction or avoidance of debt.

30. The amount provided for reduction or avoidance of debt in the Estimates for 1923-24 was as follows :—

	(₹ Lakhs.)	(₹ Lakhs.)
In India—		
1½ per cent. Depreciation Fund against—		
5 per cent. Indian War Loan, 1929-47	41	
5 per cent. Tax-free Loan, 1945-55	33	
Lump sum addition to the above made in and since 1921-22	80	
	——	1,54
In England—		
	£	
War contribution— annual instalment in repayment of principal	442,900	
Railway Annuities (capital portion) and sinking funds	1,544,300	
Total in England	1,987,200	
Which at ₹15=		2,98
Total provision		4,52

As I have already explained, the special optional addition of 80 lakhs, made in and since 1921-22 to the depreciation fund for the two 5 per cent Rupee loans was not required during 1923-24. There was also a saving in exchange on the sterling items of 9 lakhs, so that the total actual expenditure for reduction or avoidance of debt during the year will have been ₹3,63 lakhs.

The corresponding figures for 1924-25 on the same basis would be ₹4,65 lakhs including the special 80 lakhs and ₹3,85 lakhs excluding those 80 lakhs. An addition of 14 lakhs has to be made to the Depreciation fund for the 5 per cent tax-free loan 1945-55 as the result of the further issue of that loan last summer. The balance of the difference between the figures for the two years is explained by exchange variations and by an automatic increase in the capital portion of certain annuities.

31. It will be remembered that a year ago there was some discussion in connection with the Budget of the propriety of charging to capital that portion of the Railway annuities, provided in the Railway grant, which represents repayment of capital. In accordance with a promise which I made last year, we have now reconsidered this particular charge in connection with the general subject of debt. We have come to the conclusion that this charge should henceforth be excluded from the Railway budget, but treated along with our other provision in the general budget for the reduction or avoidance of debt. By so treating it, we are able to get a clear picture of what exactly is our total provision out of revenue against our total debt and to consider whether it is sufficient. In order to do this we must first ask what is the basis on which our present total provision rests and what ought to be the basis. Why, in fact, did we provide 4,52 lakhs in 1923-24 and was that an adequate total?

32. It appears on examination that the present provision is largely the result of accident. We happen to have entered into certain contracts with third parties, such as the contracts with railway companies to buy up their property by means

of terminable annuities, and the contract with subscribers to our 5 per cent. war loans to provide a depreciation fund. These contractual obligations account for 3,72 lakhs in the Budget Estimates for 1923-24. The only optional payment was the extra 80 lakhs for additional depreciation funds for the 5 per cent. loans. It is obvious that a total made up in this way does not represent a considered plan, and that the aggregate of individual items does not necessarily conform to any criterion of what our total provision should be. Let me give an example of what I mean. Let us suppose that we come to the conclusion that 3·99 crores, which with exchange at 1*s.* 4*d.* is the aggregate of the obligatory items in 1924-25, represents almost exactly what ought to be provided. Suppose further that in the course of the next few years the money required for new productive capital expenditure and the money needed to meet the large total of maturing bonds were raised mainly or entirely by the issue of one or other of the 5 per cent. loans to which a contractual depreciation fund attaches. A large addition would then have to be made to our provision for depreciation funds. It is, of course, proper that the provision for reduction or avoidance of debt should grow with the growth of our total debt. But is there any reason why it should grow by exactly the amount of the depreciation funds? And in so far as the new borrowing merely represents the replacement of maturing bonds is there any reason for an increase at all?

33. We are clearly in need of some criterion and we should aim at a regular programme based on stable and well considered principles, not subject to haphazard changes. The best way of arriving at such a programme is, I think, to take the gross total of our debt, examine the capital assets which we hold against that debt, and fix approximate periods within which it is desirable to amortise each category of debt. The gross total of our debt on the 31st March 1924, according to the figures already given, is approximately 9,17·53 crores. I exclude as before the 49·65 crores of Treasury Bills in the Paper Currency Reserve, for redemption of which statutory arrangements have already in fact been made in our Paper Currency Act. Of this total of 9,17·53 crores, 98·81 crores represents debt incurred on behalf of the Provincial Governments. Those Governments themselves provide for the repayment to us of what they have borrowed, and proposals are under consideration for putting these arrangements on a more regular footing and for the establishment of a Provincial Loans Fund. For the purposes of the Central Government's provision for debt reduction, we may, therefore, exclude this sum of 98·81 crores as also the sum of 11·88 crores representing discount on past loans, leaving a net total of 8,06·84 crores, of which 5,78·39 crores is productive and the balance of 2,28·45 crores is unproductive debt.

34. It seems desirable, however, to analyse our unproductive debt a little further. Approximately 98 crores of it represent the accumulated deficits of the five years ending 31st March 1923. The building of New Delhi accounts for 9·85 crores. We are thus left with a figure of 1,20·60 crores which may be said to be our true war debt. It is reasonable to fix different periods for the redemption of different classes of debt. For productive debt 80 years is not too long. For unproductive debt generally a period of more than 50 years is not easily defensible. For repaying the debt due to our deficits or for such an onerous obligation as the building of New Delhi, shorter periods, say 25 years for the first and 15 years for the second, ought to be taken, since in both cases the next generation of taxpayers is in danger of being called upon to provide sums which ought strictly to have been met out of annual revenue. War debt, on the other hand, however desirable it may be to meet war expenditure to the utmost extent possible out of war revenue, is the inevitable outcome of war conditions and part of the cost of war, and may legitimately be passed on to the generations which benefit by the sufferings and privations of their predecessors. *Per contra,* the fact that borrowing may be needed for emergencies such as war makes it most undesirable for a Government such as the Government of India to borrow for non-productive purposes in time of peace. It should manage to provide in peace time for the gradual amortization of all its debt. Moreover, the existence of a regular provision out of revenue for reduction or avoidance of debt will not only reduce the net amount of our new borrowings for productive purposes but will materially reduce their cost.

35. It is not possible in a Budget speech to treat the whole subject exhaustively and I do not pretend that the periods suggested above are the only possible or reasonable periods to take. But for the purpose of my argument they will serve,

well enough by way of illustration. If we take the periods named and apply them to the different classes of debt mentioned and assume further that any sums provided year by year were set aside to accumulate at 5 per cent. compound interest, we obtain as our result a figure of 3·66 crores as the amount which it would be necessary, on the above basis, to provide annually beginning with the year 1924-25 to redeem the whole debt within the periods named. But it would not be convenient or desirable to set this sum aside year by year to accumulate at compound interest in the manner assumed in the calculation. It must be expended in the year in which it is provided either on actual repayment of existing debt or for new capital purposes in order to reduce the amount of our new borrowings. By so using it, we reduce the amount we have to pay in interest in the future. We could, indeed, obtain a result equivalent to accumulation at compound interest if we first of all provided 3·66 crores in 1924-25, and then set aside in 1925-26, in addition, a sum equivalent to 5 per cent. interest on 3·66 crores, and so on in future years. In that case the sums actually required during the next five years would be :—

(In crores of Rs.)

1924-25.	1925-26.	1926-27.	1927-28.	1928-29.
3·66	3·84	4·04	4·24	4·45

36. This would, however, be rather a cumbrous arrangement and in view of the hypothetical nature of some of the data on which the calculation is based, for example the assumption of a rate of exactly 5 per cent. for interest, it would be better to achieve the results desired by some more simple process. The same amount of debt would be redeemed if a provision of 4·04 crores were made in each year for the next five years. We may therefore conclude that a figure of 4 crores per annum would be an adequate provision to include in our Budget expenditure for the next five years for dealing with our existing debt.

37. I do not mean that we ought to lay down finally as a law of our financial system that a provision of 4 crores per annum shall be made in each of the next five years. In any case, I must remind the House that this figure makes no provision for the further debt which will be incurred during 1924-25 and thereafter. The criteria which I have suggested evidently require that an addition should be made each year for all new debt incurred. On the assumption, which I hope will prove correct, that such debt will (with the one exception of the expenditure now nearing completion on New Delhi) be entirely for productive purposes, the annual addition might be a sum equal to one-eightieth of the net addition to our debt during the year. It is much to be desired that in the near future we should arrive at a definite programme—it might with advantage be a statutory programme—for dealing with this subject. For the present, however, I am content to deal with the year 1924-25 only, leaving for further consideration in the light of the discussion which will, I hope, be provoked by what I have said, the final determination of our future programme.

38. The House will not fail to observe that the figure of 4 crores is almost exactly the figure of our obligatory payments. This coincidence is satisfactory as showing that our provision for dealing with our debt hitherto has been a reasonable one. It also provides a further justification for the omission of the optional item of 80 lakhs for additional depreciation fund. In view of the strength of the market for Government securities, this extra 80 lakhs is clearly not required for its specific purpose.

Separation of Railway Finances from General Finances.

Railway Budget.

39. Before coming to grips with the figures of the general Budget for 1924-25, I must devote attention to one more special subject, the subject of Railway Finance. Honourable Members have all seen the resolution on the subject of the separation of the Railway Budget from the ordinary Budget which has been on the table of the House for some days. I know of no reform which offers greater attractions and greater benefits to our finances and our Railways alike than a definite separation, if it can be achieved. The condition of affairs hitherto prevailing has inevitably tended to an alternation between raids by the Railways on the taxpayer and raids by the taxpayer on the Railways. If we can succeed in putting an end to this state of affairs, we shall have achieved a piece of genuine constructive work, for which the credit will be, in large measure, due to the initiative of the legislature which has

pressed the problem upon the Government. It is proposed that time shall be set apart on Monday next for a full discussion of the resolution on this subject. I must not, therefore, delay the House now by dwelling upon it. I want only to say that in my opinion the reform proposed will bring us valuable dividends in our future budgets, and at the same time lead to great economies in the working of our Railways. It will give them a real incentive to increase their efficiency and to provide better service at reduced cost to their customers, the Indian public.

40. In the figures of the general Budget as presented, the return which we expect to receive from our investment in the Railways is included in accordance with the new settlement now proposed. The taxpayer, instead of paying the whole of the expenses and taking the whole of the incomings of the railways, will enter into a bargain with the Railways to receive from them (*a*) a sum sufficient to pay in full the interest on the capital he has invested in the commercial lines, (*b*) an additional dividend of five-sixths of one per cent. on that capital and (*c*) a share of one-fifth of any surplus earnings that may be secured in addition. In return, the railways will be left to carry on their business with the right to retain any surplus over and above what they pay to the Government and to apply it to railway purposes, first of all for creating reserves and then by using those reserves to improve the services they render to the public and reduce the price which they charge for those services. The Government of India and this Assembly will remain in complete control of the Railway Administration just as they now are. That control will be in no way impaired. But there will no longer be any need to consider from the narrow standpoint of their effect upon the general revenues in a particular period of twelve months, that is in a particular Budget period, proposals by the Railway authorities which, though excellent and desirable in themselves, might, under the present system, upset the apparent equilibrium of the Budget for the year. The taxpayer will secure a regular and increasing contribution from his investment, largely independent of fluctuations in railway receipts and expenditure, and the railways will be able to spend money according to the real needs of the railway system, unimpeded by the necessity for conforming to the vagaries of Budget figures and the requirements of Budget accounting. The Railways will become a real commercial undertaking managed on commercial lines, and the taxpayer will get the benefit of commercial accounts and management.

41. Among the papers which are being circulated with the speech, Honourable Members will find statements showing first, how the net contribution by the railways to general revenues is arrived at under the proposed new settlement, and second a comparison of the figures under the two systems showing what the contribution would be under the old system. The main figures in the Railway Budget framed according to the proposed new plan are, traffic receipts 97·07 crores, working expenses 65·23 crores, interest and other charges 26·23 crores, leaving 1,33·48 lakhs as reserve and 4,27·30 lakhs as the net contribution to general revenues. Under the old system the net contribution is 4,16 lakhs. It is necessary, however, to mention one special point. One of the results of the close scrutiny of Railway finances which has taken place during the past year has been to bring to light a difference on the wrong side between the value of stores held for the capital suspense account and the true market value of those stores. Some of them are not now required for railway purposes and must be sold for what they will fetch. Others are required but are worth less than the figure at which they stand in the books. It becomes necessary, therefore, to write off 3 crores from the Capital account and this can only be done by a charge against revenue. The loss has been accumulated over a series of years and is partly the result of the large rise in prices after the war and the subsequent slump. How are we to deal with this charge of 3 crores? It is necessary that the loss should be written off at once in order to enable us to arrive at a proper valuation of the East Indian and the Great Indian Peninsula Railways when they are taken over by the State. If we were in a position to do so, we ought undoubtedly to provide this 3 crores out of the revenue of 1924-25. Under the settlement proposed to be made with the Railways, this charge will be taken over by them and spread over a period of ten years, during which there is reason to believe that they will be able to meet it out of their share of surplus profits. Under the old system there is no provision for building up a reserve out of profits, as profits are taken automatically into general revenues for the year in which they accrue. There is, therefore, less

justification for spreading the charge. If, however, the whole 3 crores were charged against the revenue of 1924-25, the contribution of the railways to general revenues during the year would be reduced almost to vanishing point. I trust that the need for deciding this difficult point will be avoided by the adoption by this House of the proposed system of commercial accounting and separation of the railway finances. But in the contrary event, there seems to be no better solution than to set up a special provision of 30 lakhs a year, beginning with 1924-25, to amortise the debt in ten years, and it is only by this unsatisfactory device that the figure of 4·16 crores for railway net receipts on the present system is arrived at.

BUDGET ESTIMATES FOR THE YEAR 1924-25.

42. I have, I am afraid, already taxed the patience of the House as severely as the Government are accused of taxing the people of India. But the subjects of Debt Redemption and Railway finance have an interest far beyond the immediate question of the Budget of 1924-25, and it was necessary to deal with them at some length in order to prepare the way for the Budget statement itself. Two other subjects, which are of immediate importance for the year 1924-25, must still be disposed of before I am in a position to present the figures for which the House is waiting. The first of these is the question of making Government stores liable to Customs Duty and the second is Exchange.

Proposal to charge imported Government stores to customs duty.

43. I have already referred to the complications caused during 1923-24 by the decision of the Bombay High Court which brought stores purchased for Company Railways into the category of "Government stores". We hope that the decision of the Privy Council will upset this ruling on appeal. But quite apart from that question, we have come to the conclusion that the time has arrived when Government stores should be treated for Customs purposes like any other imports, and as the House is aware, we have introduced a Bill to rescind the proviso to section 20 of the Sea Customs Act by virtue of which Government stores are admitted duty free.

44. The Budget figures are presented on the assumption that this Bill will become law. The effect is to add about 1,63 lakhs to our estimate of revenue and about 53 lakhs to our general expenditure, of which 25 lakhs occur under the head of Military expenditure and 22 lakhs represent the assignments to be made to Provincial Governments during 1924-25 to compensate them for the duty which they will have to pay. An additional charge of about 1,10 lakhs to Railways is also involved, partly Revenue and partly Capital. Of this 1,10 lakhs about 90 lakhs would in any case accrue if the decision of the Privy Council were in our favour. It has been the practice hitherto to take credit to Revenue for customs duty on stores imported by company-managed Railways for capital purposes even when the capital is provided through the Government of India. We thereby get an increase in revenue at the expense of an increase in capital. It is true that the capital is spent on productive purposes and that the Railways are expected to charge their customers fares and freights sufficient to pay interest and earn profits on capital expenditure. But there are obvious objections to increasing revenue at the expense of capital and this system will be reconsidered during the course of the year. It is not proposed to change it in the present Budget, in so far as the company-managed lines are concerned. But we think it would be unsound to extend the practice to State Railways, which will now have to pay Customs duty on the stores they import. It is accordingly proposed to earmark as a special contribution from Revenue to Capital a sum equivalent to the duty collected from State Railways on stores imported by them for capital purposes. The amount in 1924-25 is estimated at 11 lakhs. It will be larger by 30 lakhs in 1925-26 when the Great Indian Peninsula and East Indian Railways are taken over by the State, and the fact of their transfer to State management will thus automatically reduce the extent of the objection to the present system in the case of company-managed lines. The amount of duty on stores for company-managed lines which involves a debit to capital in 1924-25 is estimated at 51 lakhs.

Exchange.

Exchange.

45. It will be remembered that in the Budget estimate for 1921-22 a rate of 1*s.* 8*d.* per rupee was taken for the purpose of converting into rupees that part of our expenditure which is in sterling. The Government were supposed to have made

a prophecy or even a promise that the average rate for the year would be 1*s.* 8*d.* and were severely criticised when the rate fell far below that figure. This year and the year before the rate taken was 1*s.* 4*d.*, which proved just about right in 1922-23, while in 1923-24 the average rate has been 1*s.* 4½*d.* What rate are we to take for 1924-25? The figures were prepared in the first instance on the basis of a 1*s.* 4*d.* exchange, but are we content to leave them on that basis? If we do so and the rate for the year averages 1*s.* 4½*d.* we shall have over-estimated our expenditure to the extent of 88 lakhs (apart from Railways) and if the average rate were as high as 1*s.* 5*d.* we shall have over-stated our outgoings by 1·71 crores. Is the House prepared to pass our Demand Grants on the basis of 1*s.* 4*d.* at a moment when the market rate has been almost continually above 1*s.* 5*d.* for nearly four months?

46. But if we do not take 1*s.* 4*d.* what rate are we to take? The Government of India cannot prophesy or promise any particular rate, and he would be a bold man who ventured any confident statement in complete ignorance, as he must be, of the nature of the 1924 monsoon, the course of events in the Ruhr and elsewhere, and the movements of the dollar-sterling exchange. We are compelled to adopt some definite figure and yet we are entirely unable to control the events which will determine the accuracy of whatever figure we may adopt. After careful consideration we have decided to frame our forecast on the basis of an average rate for the year of 1*s.* 4¾*d.* or ¼*d.* better than the actual average in 1923-24.

Expenditure.

47. We are now at last in a position to proceed to a balance-sheet for 1924-25. I begin with the expenditure side.

Military expenditure for 1924-25 is estimated at 63 crores gross and 60·25 crores net, which includes a saving on Exchange of 68 lakhs. On the basis of 1*s.* 4*d.* to the rupee the net amount required would be 60·93 crores. In order to assist comparison with the current year the remaining figures of Military expenditure which I shall proceed to give will be on the basis of 1*s.* 4*d.* to the rupee. Military expenditure.

48. Established charges come to 59 crores which compares with the Revised estimate of 60¼ crores and the original Budget figure of 61·94 crores for 1923-24. But 25 lakhs is included in the 1924-25 figure for the payment of customs duty on imported stores, which was not required in 1923-24. We shall require 30 lakhs for roads and barracks in Waziristan and 1,63 lakhs for special terminal charges. If we exclude the special sum of 25 lakhs representing customs duty, which will come back as revenue, the established charges will amount to 58¾ crores as against the figure of 59·38 crores assumed by the Retrenchment Committee. The non-recurrent saving arising from reduction in stocks cannot of course be repeated for next year. But we have managed to reduce the established charges below the Committee's figure—an achievement for which we are greatly indebted to the vigilance of His Excellency the Commander-in-Chief and his keen anxiety to effect all possible economies which do not interfere with the essential structure and organisation of the reduced Army.

49. Full information about the action taken on the detailed recommendations of the Retrenchment Committee has already been supplied to the House. I may remind Honourable Members that the Committee expressed the view that in matters of detail the Commander-in-Chief must be left a certain amount of discretion in carrying out their proposals. As the financial effect of the retrenchments actually secured is not less than the total specific economies recommended by the Committee, the Government can rightly claim that they have given full effect to the Committee's recommendations. We have not overlooked the fact that the Retrenchment Committee expressed the opinion that the adoption of their recommendations would enable the Military estimates to be reduced in subsequent years to about 57 crores and ultimately to 50 crores, though, as they stated, the Commander-in-Chief did not subscribe to this opinion. Their specific recommendations, however, worked out to a figure of 57¾ crores, which included the special non-recurrent saving of 2¼ crores from reduction in stocks. There was thus a gap of 3 crores between the figure arrived at as a result of the specific recommendations of the Committee and the figure of 57 crores. Further the Committee took no account of the inevitable increase in non-effective charges. Owing to a growth in the pension list, which has been accelerated by reductions of personnel, the provision for non-effective charges included in the established charges

of the Military services is, on the basis of a 1*s*, 4*d*. rupee, 35 lakhs higher in the Budget of 1924-25 than in the Budget of 1923-24. It is evident, therefore, that the goal of 57 crores is not immediately attainable. For the last year our energies have been fully occupied in securing the actual retrenchments specifically recommended by the Retrenchment Committee. But I am not without hope that, with the continued co-operation of His Excellency the Commander-in-Chief, it may be possible further to reduce the level of the established charges of the Military services in 1925-26, though unfortunately we have reason to anticipate that terminal charges will be specially heavy in that year.

Civil expenditure.

50. On the Civil side also, we have given effect to almost all the recommendations of the Retrenchment Committee and expenditure generally has been kept low. Under *Opium*, we are able to count on a decrease of 49 lakhs as compared with the current year's expenditure, as the special payments necessitated this year by an increase in the outturn of the last crop should not recur. A provision of 25 lakhs has been made, as I have already mentioned, for *ex gratia* payment of compensation to private individuals who suffered from enemy action during the war, but it can be met from an equivalent sum set apart from the windfall from the working of enemy ships. Eliminating Railway transactions, which cease to be a direct charge on Central revenues under the new arrangements which I have explained, our total expenditure amounts to 104·57 crores. What is the revenue on the basis of existing taxation from which to meet it?

Revenue.

Customs.

51. We expect a net customs revenue for 1924-25 of 45·02 crores against 40·42 crores now expected in the current year. The former figure includes the extra 1·63 crores already mentioned on account of duty on imported Government stores including Railway stores. Apart from this special factor, the estimate of revenue for 1924-25 allows for the higher tariff valuation for sugar which came into force from the 1st January last and for a normal expansion of revenue under other tariff heads.

52. Some small changes in the tariff are being proposed in the Finance Bill, the most important being the reduction of the Excise Duty on Motor Spirit to 4½ annas a gallon, which will cheapen motor spirit without loss to our revenue, and the imposition of specific duties on empty match boxes and splints, in order to protect our match revenue. I ought perhaps to add in passing that for Budget purposes it has been necessary to assume that the final outturn of 1924-25 will be unaffected by any changes which may be introduced into our customs tariff as the result of the recommendations of the Tariff Board.

Income-tax.

53. Under Income-tax, the unsatisfactory condition of the Bombay mill industry in the current year will reduce our revenue in that province in 1924-25, but this decline in revenue should be partly set-off by increases in other provinces, and we do not anticipate a reduction of more than 85 lakhs on the net revenue expected for the current year, making the total figure 18·22 crores.

54. We expect no material variation in the estimates under other heads of revenue, except under Currency where the investments in British treasury bills made out of the large sterling remittances effected in the current year will result in an increase in revenue of about ½ crore. We propose that the interest on investments of the Currency Reserve as well as the surplus holdings in the Gold Standard Reserve in excess of £40 millions should, as in the current year, continue to be credited to revenue.

Posts and Telegraphs.

55. The net budget estimate of expenditure of the Indian Posts and Telegraphs Department is 9·03 crores. The revenue for 1924-25 is put at R10·14 crores. These figures are not comparable with those presented a year ago owing to the inclusion on both sides of certain items not hitherto included. The changes introduced represent the results so far achieved in the attempt to present commercial accounts. It had been hoped that it would be possible to have a commercial account ready for this Budget, but, partly owing to the desirability of awaiting a settlement of the cognate problems in the commercialisation of the Railway accounts, we have had to be satisfied with something less this year. We are able, however, to include in the detailed estimates a profit and loss account which indicates that the actual profit for 1924-25 will be about 24 lakhs.

56. It will be remembered that the Retrenchment Committee laid considerable stress on the large amount of capital locked up in stores. The actual balance in stock in the case of this Department has been reduced from R257 lakhs to R196 lakhs during 1923-24, and by the 31st March 1925 it is expected that the figure will have been brought down to less than 1 crore.

Surplus.

57. Replacing the net receipts from Railways by the fixed contribution of 4·27 crores, we thus arrive at a total revenue estimate of 107·93 crores, giving us, or the basis of existing taxation, a surplus of 3·36 crores. How are we to utilise this surplus? I see many claimants. I should like to have been able to reduce some of our Customs duties which in certain cases are undoubtedly hampering trade, though not I think so much as has been contended in certain quarters. It is tempting to consider a reduction here and there of some of our charges for postal and telegraph services; these, however, must wait till we know more exactly what the real surplus on the working of the Posts and Telegraphs is. Then there are the Provincial contributions. We had some discussion on these a few weeks ago, and the desirability of getting rid of them was widely recognised. So long as they remain unreduced, we are in the position of having over 9 crores of prior obligations between us and the things we should like to do with our surplus. Moreover, the existence of this liability is a constant source of bitterness in the relations between the different Provincial Governments and between the Government of India and the Provincial Governments, not excluding Bengal, whose three years of grace expire at the close of 1924-25. A beginning of reduction is being eagerly anticipated by the Provinces, especially by Ministers who are anxious to develop the services under their charge and are severely hampered by lack of cash. Undoubtedly the Provincial contributions have a very strong claim. And finally there is the salt tax. It was raised from R1-4 per maund to R2·8 per maund this year owing to the paramount necessity of balancing the Budget. To reduce it to R2 per maund would demand 1·82 crores out of our surplus, to reduce it to R1-4 would take away R3·32 crores, that is, would devour practically the whole surplus.

WAYS AND MEANS.

58. But perhaps it would be better if, before continuing this exciting inquiry, I were to divert your attention for a moment to that necessary but less exciting portion of the annual Budget Statement—our Ways and Means Budget.

The following statement summarises the Ways and Means operations in India and England together during 1923-24 and 1924-25:—

[Crores of Rs.]

Liabilities.	Revised.	Budget.
Railway capital outlay	23·6	30·0
Delhi, Irrigation and Telegraph outlay	2·8	3·2
Discharge of funded debts, etc.	5·2	1·0
Discharge of Treasury Bills with the public	19·5	2·1
Loans to Provincial Governments	11·3	12·7
Drawings of Provincial Governments from their balances	...	2·3
	62·4	51·3
Met as follows:—		
Central Government's revenue surplus	2·1	...
Surplus revenues of Provincial Governments	5·0	...
Rupee loan	23·1	20·0
Sterling loan	18·2	...
Net receipts from Post Office Cash Certificates	5·4	1·5
Net receipts from Savings Bank deposits	5·3	6·0
Miscellaneous items	2·3	7·9
Reduction of cash balances	1·0	15·9
	62·4	51·3

59. I have already referred to the satisfactory receipts from Post Office Cash Certificates in the current year and to the practical extinction of Treasury Bills issued to the public. I want to draw special attention to three further points in these figures, the amount of our proposed Rupee borrowings, the position in regard to our sterling remittances, and the absence of any provision for new sterling borrowing. The last is a very satisfactory feature in view of the onerous obligations for the future which the provision of interest and sinking fund on external debt involves. I must, however, remind the House that our Ways and Means Budget figures are necessarily illustrative rather than exact, and in particular I must not be taken as saying that in no circumstances will the Government of India borrow abroad during 1924-25. Something must depend on the relative cost of borrowing inside and outside India. But all indications point to our being able to meet all our capital requirements and all our sterling requirements in 1924-25 without issuing any external loan.

60. Moreover, we hope to achieve this while at the same time reducing our demands on the market in India, where, thanks to the reduction of our total requirements for new capital, we expect to be able to limit ourselves to a rupee loan of not more than 20 crores as against the total of 24 crores in 1923. We are assisted in reaching these results by having built up during 1923-24 a large reserve against our sterling needs during 1924-25. Our total purchases of sterling, whether by purchases in India or by sales of rupees in the form of Council Drafts in London, during 1923-24, are estimated to amount to £26$\frac{3}{4}$ million. During the summer we drew £5,850,000 in sterling from the Paper Currency Reserve against payment into the Reserve in India. On the other hand, in order to take advantage of the more attractive rates at which sterling has been obtainable during the winter months and at the same time to do something to mitigate stringency in the Money Market, we have remitted no less than 12 crores to London against issues of Paper Currency in India. We shall start the year 1924-25 with £14 millions in sterling securities in the Paper Currency Reserve, all of which we can, if necessary, apply towards meeting our sterling outgoings. But if conditions are at all similar in the winter of 1924-25 to those which prevailed this year, we may have to replace some of the amount so applied during the summer in order to meet the requirements of the Indian Money Market in the winter. We have, therefore, assumed a net draft on these sterling reserves of £10 million. The Ways and Means figures given above ignore, it will be noticed, any revenue surplus in 1924-25, and they are subject to modification in the light of the final decision as to the use of that surplus.

FINAL PROPOSALS.

61. This brings me back to the problem of what to do with our surplus. It is one of the ironies of fate that the boon which a Finance Member most desires—a Budget surplus—is frequently the cause of more embarrassment to him than anything else. He has first to examine carefully whether he can safely give away any part of his surplus without laying up a store of trouble for future years. We do not want to remit taxation or give away a part of the Provincial contributions this year and then be faced with the necessity of imposing additional taxation next year or the year after. How do we stand in this respect? When the 1923-24 Budget was framed we doubted our ability to effect within the year all the retrenchments which we had under consideration. We were justifiably in doubt whether our revenue estimates were not unduly sanguine. We managed just to balance our Budget on paper, and though it is still doubtful whether the ordinary revenue will quite cover the ordinary expenditure, we have at any rate reached equilibrium. But we attained our balance this year only by special cuts in certain directions which could not possibly be recurrent. I have already explained the way in which this use of non-recurrent savings affects the comparison between the Military budgets for 1923-24 and 1924-25. In the case of the Railways, we made an even less satisfactory saving which was not merely non-recurring but involved the postponement of urgently necessary works of rehabilitation. The cut in Programme Revenue Expenditure in 1923-24, justifiable as it was in all the circumstances, makes it all the more necessary that money should be found in 1924-25. In 1923-24, therefore, even if our paper surplus had been more assured, it would have

been an unthinkable act of improvidence to have given up any part of the Provincial contributions. We need not perhaps stop to consider whether it would have been proper to give away to the Provinces the proceeds of a tax not agreed to by the House.

62. The Budget for 1924-25 as it stands gives us, I am happy to assure the House, a sounder basis on which to build. I must admit that the estimates of Revenue are still experimental. This is inevitable in the present disturbed state of the world. If our estimate of Customs revenue is a little more cautious than in 1923-24, there are reasons for thinking that our estimate of Income-tax receipts in 1924-25 may be optimistic. But on the expenditure side, there are no such large non-recurrent cuts as disturbed the prospects a year ago, and we are justified in looking forward to the early disappearance of special war and terminal charges, though I have warned the House that the charge for surplus officers may be rather larger in 1925-26 than in 1924-25. Our Railway Budget will, I hope, be established from henceforward on sound commercial principles. Our provision for debt is, as I have shown, not unsatisfactory. Urgently desirable expenditure on new works is still postponed for financial reasons, but this at any rate is what I can call optional expenditure. We must not, indeed, forget that a poor monsoon is due before long. On the other hand, a real improvement in trade would appreciably increase the yield from our existing taxation. We have, moreover, to remember that a contribution of 63 lakhs will be due from Bengal in 1925-26. All things considered, we are justified in regarding the surplus of 3·36 crores as a real surplus, and I come back to the two claimants which the House will, I feel sure, agree to be the only possible ones, the Provincial contributions and the Salt Tax.

63. There is one important distinction between these alternatives. If we retain taxation at its present figure and give away our surplus in whole or in part to the Provincial Governments, we can face the year 1925-26 with some hope not merely of again achieving a balance but with the brighter expectation that some further reductions in expenditure or some normal growth in the yield of our existing sources of income will again give us a small surplus. If, however, we were to reduce the salt tax to R1-4-0 per maund, we have an initial deficiency of 2·16 crores to face in 1925-26. The receipts in 1924-25 would be abnormal partly because dealers would at once replenish their depleted stocks if the duty were reduced to R1-4-0 and partly because we give the dealers six months' credit. For the first five months of 1924-25, we shall in any case be collecting some revenue at the rate of R2-8-0 a maund. A reduction to R1-4-0 in the 1924-25 Budget would not, therefore, have its full effect on our figures till 1925-26. The same would be true of a reduction to some intermediate figure, though of course to a smaller extent.

64. One further objection to a reduction of the Salt Duty is that, as I have already shown, the hope that the enhanced rate would endure for one year only has induced dealers to run down their stocks and they have thus to a great extent managed to evade payment of the full duty. It is believed that they cannot reduce stocks much further, and a decision by this House to retain the duty at R2-8 would make them give up hope of pocketing the special profits which they have been trying to secure. They would gradually replenish their stocks and the Exchequer would no longer fail to obtain its due revenue. If the tax is reduced to R1-4, they will certainly succeed in retaining for themselves part of what they ought to have paid to the Government and will not pass on the whole benefit to the consumer.

65. I know that many in this House regard reduction of the Salt Tax from a standpoint which includes wider considerations than those which are purely financial and economic. I am authorised to say that the choice will be left to the House. We are not, as last year, confronted by the vital distinction between a Budget which balances and a Budget which does not.

66. But are the economic objections to the salt duty so great as to justify the House in giving up this recurrent source of revenue at a time when the Provincial contributions remain unreduced, and the needs of the Provinces are as great as they are to-day? We have a sum of over 9 crores between us and a Budget which balances without the assistance of the Provincial contributions. If we reduce the salt tax to R1-4, we are in truth proclaiming to the Provinces that neither in 1924-25 nor in 1925-26 can we offer them any certain prospect of relief. We are at the same

time postponing indefinitely the date at which we can foresee any reasonable possibility of reducing other onerous taxes or increasing our expenditure on beneficial services. It is a message of despair to all those who are looking to expenditure, whether by the Central Government or by the Provincial Governments, for the amelioration of the conditions of life, and for improved educational and sanitary services, throughout India.

67. Let not the House deceive itself. We certainly hope for progressive reduction in our Military expenditure, for progressive improvement in the yield of our existing sources of revenue. We hope too that the Committee on Taxation will be able, in due course, to recommend important improvements in the machinery and scope of our taxation system, so that it may be possible for India to raise in taxation an amount equal to what she raises to-day at less sacrifice to the tax-payer. But the results of this inquiry can hardly be available in time for the 1925-26 Budget, and the improvements in our position for which we may look owing to reduced expenditure and increased yield from existing taxes can hardly do much more in 1925-26 than fill the gap of over two crores created by the loss of salt revenue. We have once again explored with exhaustive care the practicability of alternative taxation, and we are unable to recommend any alternative. We cannot, as I have already shown, afford to contemplate reduction of the Provincial contributions by postponements of inevitable expenditure or by any devices, even if they were available, which will merely improve the appearance of one year's Budget by laying up trouble for the next. And we cannot return to the era of unbalanced Budgets. The choice is clear and unambiguous. We can, if we like, reduce the salt tax to R1-4, but by so doing we do a definite disservice to the true interests of India's finances.

68. But, it may be said, is there not a middle way? A reduction to R1-4 costs us 3·32 crores in 1924-25 and a further 2·16 crores in 1925-26, making a total loss of 5·48 crores in 1925-26. Thereafter, allowing for normal growth in yield, the annual recurrent loss is in the neighbourhood of 6 crores. A reduction to R2 per maund involves a loss in 1924-25 of R1·82 crores and little more in 1925-26. With the salt tax fixed at R2 per maund by the verdict of this House, the disturbing factors which have upset the calculations in 1923-24 in regard to issues of salt would be eliminated, and though the dealers would, it is to be feared, succeed in making some of the special profits which they have had in view in reducing their stocks, their gains would not be so appreciable as would result from a reduction to R1-4. A reduction of the salt duty to R2 per maund would still leave us with a surplus of 154 lakhs in 1924-25, and the extra loss in 1925-26 is so small that we could afford to ignore it. Even though on purely financial and economic grounds they may be doubtful of the desirability of reducing taxation in face of the claims of the Provinces for reduction of their contributions, are the Government not prepared to adopt this middle course?

69. After full consideration of all the special circumstances, the Government of India have decided not to ask the House to continue the salt duty at R2-8 a maund. But in view of their repeated pledges on the subject of the Provincial contributions, and still more because they are convinced that even the poorest Indian —and perhaps the poorest most of all—will benefit far more by the maintenance of sound finances in the Central Government and by a beginning of a reduction in the Provincial contributions, they have decided that the middle course is the right course. They propose to divide the surplus between the two claimants.

70. The recommendation of the Government of India therefore is, and I desire to make it clear to the House that this recommendation is made after full consultation with the Secretary of State and with his full approval and support, that out of the surplus of 3·36 crores a sum of 1·82 crores be applied to reducing the salt tax from R2-8-0 per maund to R2 per maund and that a sum of R1·50 crores be applied to a reduction of the Provincial contributions. This will give immediate relief to four provinces. It will reduce the contribution of Madras from 348 lakhs to 268 lakhs. It will reduce the contribution of the Punjab by 38 lakhs, from 175 lakhs to 137 lakhs. The contribution of the United Provinces will be reduced from 240 lakhs to 210 lakhs, a reduction of 30 lakhs. Burma will get a small reduction of 2 lakhs on its contribution of 64 lakhs.

71. I do not wish to appeal to provincial particularism. We here represent the whole of India. As I said a few weeks ago, borrowing the words of the Honourable

Pandit Madan Mohan Malaviya, this is a national question and should be looked at from a national standpoint. The Devolution Rules prescribe the proportions in which each province's contribution is to be reduced as money becomes available. The provinces named are the first to get relief. But " well begun is half done". The turn of the others comes next and their prospect of reduction is brought so much the nearer by the clearing away of prior claims. But more important still is the interest of India as a whole in making a beginning in dealing with this running sore of the Provincial contributions. This House, in the first year of its life, has an opportunity of helping to make good the financial basis of the Reforms from lack of which many of the difficulties of the last three years have sprung. The Government of India ask the co-operation of the Assembly in enabling them so to manage the finances of the country that the way may be clear for constitutional progress unhampered by any impediments arising from financial disorders.

BASIL P. BLACKETT.

The 29th February 1924.

STATEMENT I.

Statement comparing the actual Revenue and Expenditure of the Central Government (Imperial Revenue and Expenditure before the Reforms) with the Revised Estimates for each year from 1913-14 to 1922-23.

(*See* paragraph 2 of speech.)

[In thousands of Rupees.]

	Revised Estimates.			Actuals.		
	Revenue.	Expenditure.	Surplus (+) Deficit (—)	Revenue.	Expenditure.	Surplus (+) Deficit (—)
1913-14	80,66,56	78,43,56	+2,23,00	81,32,71	77,85,85	+3,46,86
1914-15	74,89,38	79,07,25	—4,17,87	76,15,35	78,83,14	—2,67,79
1915-16	78,89,08	81,58,21	—2,69,13	80,00,96	81,79,26	—1,78,30
1916-17	97,25,67	88,27,37	+8,98,30	98,53,10	87,31,37	+11,21,73
1917-18	1,14,84,48	1,06,27,74	+8,56,74	1,18,70,58	1,06,57,52	+12,13,06
1918-19	1,27,94,65	1,34,79,88	—6,85,23	1,30,40,66	1,36,13,72	—5,73,06
1919-20	1,44,07,56	1,59,18,67	—15,11,11	1,37,13,98	1,60,79,27	—23,65,29
1920-21	1,35,10,35	1,48,03,61	—12,93,26	1,35,63,32	1,61,64,17	—26,00,85
1921-22	1,13,15,32	1,41,94,52	—28,79,20	1,15,21,50	1,42,86,52	—27,65,02
1922-23	1,20,70,17	1,37,95,52	—17,25,35	1,21,41,29	1,36,43,05	—15,01,76

STATEMENT II.

Calculation of the net contribution from Railways to General Revenues in 1924-25.

(*See* paragraph 41 of speech.)

(Figures in thousands of rupees.)

				Revised Estimate, 1923-24.
A.	(i) Capital at charge, all lines			6,45,80,91
	Deduct—			
	(*a*) for strategic lines		26,50,37	
	(*b*) for capital contributed by Indian States and Railway Companies		74,90,40	1,01,40,77
	(ii) Capital at charge, commercial lines			5,44,40,14
	(iii) Contribution at $\frac{5}{6}$ths of 1 per cent.			4,53,67
B.	(i) Gross traffic receipts, all lines			94,22,02
	Deduct—Receipts, strategic lines			1,97,23
	(ii) Gross traffic receipts, commercial lines			92,24,79
	(iii) Working expenses, all lines			60,96,00
	Deduct—Expenses, strategic lines			2,28,17
	(iv) Working expenses, commercial lines			58,67,83
	(v) Share of surplus profits paid to Indian States and Railway Companies			1,11,42
				59,79,25
	(vi) Net receipts, commercial lines [(ii) *minus* (iv) and (v)]			32,45,54
	Add—Subsidized Companies, Government share of surplus profits			23,27
	(vii) Total net receipts			32,68,81
	(viii) Interest on capital at charge, all lines			17,37,98
	Deduct—Interest, strategic lines			1,01,76
	(ix) Interest on capital at charge, commercial lines			16,36,22
	(x) (*a*) Interest portion of annuities in purchase of railways			3,11,34
	(*b*) Interest on capital contributed by Indian States and Railway Companies			3,11,79
	(xi) Total interest charges, commercial lines			22,59,35
	(xii) Land and subsidy			7,41
	(xiii) Miscellaneous Railway expenditure			16,72
	(xiv) Total (xi), (xii) and (xiii)			22,83,48
	(xv) Net gain from commercial lines (vii) *minus* (xiv)			9,85,33
	(xvi) Contribution at $\frac{5}{6}$ths of 1 per cent. on capital at charge [A (iii)]			4,53,67
	(xvii) Surplus profits			5,31,66
	(xviii) $\frac{1}{6}$th of surplus profits			1,06,33
	(xix) Total contribution [(xvi) *plus* (xviii)]			5,60,00
	(xx) *Deduct*—			
	(*a*) loss in working strategic lines		30,94	
	(*b*) interest on capital at charge, strategic lines		1,01,76	
				1,32,70
	(xxi) Net contribution			4,27,30

NOTE.—The contribution will in future years be calculated on the actual results of the penultimate year's working; but in 1924 25, the year of inception of the new system, on the results of the working in 1923-24. The net contribution of 4,27,30 shown in this statement is therefore subject to adjustment when the actuals of 1923-24 are known.

STATEMENT III.

Comparison of the contribution from Railways to General Revenues in the year 1924-25 under the present and proposed (separation) systems.

(*See* paragraph 41 of speech.)

(Figures in thousands of rupees.)

Present system.		Budget Estimate, 1924-25.
(i) Gross traffic receipts		97,06,92
Deduct—		
(*a*) Working Expenses	66,88,04	
(*b*) Share of Surplus Profits paid to Indian States and Railway Companies	1,14,87	67,82,91
(ii) Net receipts		29,24,01
(iii) Subsidized Companies, Government share of surplus profits		25,92
(iv) Total net receipts		29,49,93
v) (*a*) Interest on capital at charge	19,18,05	
(*b*) Interest portion of annuities in purchase of railways	2,97,56	
c) Interest on capital contributed by Indian States and Railway Companies	2,80,09	24,95,70
(vi) Land and subsidy		16,00
vii) Miscellaneous Railway expenditure		22,45
(viii) Total (v), (vi) and (vii)		25,34,15
(ix) Net contribution from Railways to General revenues [(iv) *minus* (viii)]		4,15,78

Proposed system.		Budget Estimate, 1924-25.
(i) Gross traffic receipts		97,06,92
Deduct—		
(*a*) Working Expenses	65,23,04	
(*b*) Share of Surplus Profits paid to Indian States and Railway Companies	1,14,87	66,37,91
(ii) Net receipts		30,69,01
(iii) Subsidized Companies, Government share of surplus profits		25,92
(iv) Total net receipts		30,94,93
(v) (*a*) Interest on capital at charge	19,18,05	
(*b*) Interest portion of annuities in purchase of railways	2,97,56	
(*c*) Interest on capital contributed by Indian States and Railway Companies	2,80,09	24,95,70
(vi) Land and subsidy		16,00
(vii) Miscellaneous Railway expenditure		22,45
(viii) Railway reserves		1,33,48
(ix) Total (v), (vi), (vii) and (viii)		26,67,63
(x) Net contribution from Railways to General revenues [(iv) *minus* (ix)]		4,27,30

NOTE.—The figure for Working Expenses is 1,45,00 less under the proposed (separation) system than under the present system, because:—

(i) As an integral part of the proposed system the allocation of expenditure on renewals between Capital and Revenue will be revised; and with the revised allocation 1,15,00 is expected to be charged to Capital next year, which, under the present system, must be charged to Revenue.

(ii) Under the present system 30 lakhs must be charged to Working Expenses next year, in order to write down to market prices the value of stores in stock, and to write off out of Revenue the loss involved in the sale of surplus and obsolete stores. Under the proposed (separation) system, this charge will be met from the Railway reserves.

It will be observed that this figure of 1,45,00 is the equivalent of (1) the increase of 11,52 in the contribution expected to be made from Railways to General revenues under the proposed (separation) system, and (2) the amount of 1,33,48 expected to be carried to Railway reserves.

BUDGET

OF THE

GOVERNMENT OF INDIA,

MARCH 1924.

ACCOUNTS	1922-23
REVISED ESTIMATES	1923-24
BUDGET ESTIMATES	1924-25

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I.—General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1922-23.	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
		R	R	R	R
Revenue—					
Principal Heads of Revenue—					
Customs	A	41,34,65,362	45,09,41,000	40,41,53,000	45,01,82,000
Taxes on Income	„	17,99,41,150	19,04,64,000	19,07,45,000	18,21,97,000
Salt	„	6,82,46,112	11,75,00,000	8,70,27,000	10,54,62,000
Opium	„	3,78,92,068	3,93,12,000	4,30,64,000	4,33,60,000
Other Heads	„	2,34,00,268	2,44,97,000	2,34,27,000	2,22,32,000
TOTAL PRINCIPAL HEADS		72,29,44,960	82,27,14,000	74,84,16,000	80,34,33,000
Railways: Net Receipts	A	26,82,98,476	31,76,58,000	32,37,87,000	30,94,93,000
Irrigation: Net Receipts	„	10,90,752	10,83,000	11,20,000	12,47,000
Posts and Telegraphs: Net Receipts	„	1,22,29,448	2,08,32,000	84,94,000	1,06,12,000
Interest Receipts	„	1,15,70,696	2,50,96,000	3,24,25,000	3,17,25,000
Civil Administration	„	44,34,528	62,08,000	67,49,000	72,01,000
Currency, Mint and Exchange	„	3,62,03,131	2,69,26,000	3,07,68,000	3,63,86,000
Civil Works	„	14,38,067	10,69,000	13,19,000	12,36,000
Miscellaneous	„	62,46,625	48,34,000	3,23,44,000	67,48,000
Military Receipts	„	5,73,78,865	3,04,87,000	4,19,53,000	2,75,16,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments	„	9,22,93,608	9,21,36,000	9,22,29,000	7,72,11,000
TOTAL REVENUE		1,21,41,29,156	1,34,90,43,000	1,31,96,04,000	1,31,28,08,000 (a)
DEFICIT		15,01,76,392	...	...	...
TOTAL		1,36,43,05,548	1,34,90,43,000	1,31,96,04,000	1,31,28,08,000

(a) If the detailed figures for Railway Revenue and Expenditure in the Budget estimates for 1924-25 are eliminated and only the contribution the total estimates of revenue and expenditure will amount respectively to R1,04,60,45,000 and R1,04,56,87,000.

M. F. GAUNTLETT,
Auditor General.

DELHI,
FINANCE DEPARTMENT,
The 29th February 1924.

Revenue of the Central Government, in India and in England.

	For details, *vide* Statement.	Accounts, 1922-23.	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
		R	R	R	R
Expenditure—					
Direct Demands on the Revenues	B	5,22,04,980	5,37,22,000	5,60,92,000	5,55,45,000
Railways: Interest and Miscellaneous Charges	„	25,60,99,247	27,91,32,000	26,09,87,000	26,67,63,000
Irrigation	„	13,75,391	14,20,000	16,51,000	22,85,000
Posts and Telegraphs	„	76,98,536	53,35,000	12,62,000	—12,29,000
Debt Services	„	16,15,89,540	17,21,57,000	16,74,88,000	18,15,15,000
Civil Administration	„	9,94,32,040	9,78,29,000	9,57,10,000	9,80,36,000
Currency, Mint and Exchange	„	1,03,09,731	1,13,11,000	1,05,32,000	77,31,000
Civil Works	„	1,34,81,040	1,76,63,000	1,61,11,000	2,06,50,000
Miscellaneous	„	5,20,56,088	5,15,39,000	4,80,13,000	4,88,73,000
Military Services	„	71,00,58,955	65,04,87,000	63,93,72,000	63,00,16,000
Miscellaneous adjustments between the Central and Provincial Governments	„	...	3,62,000	17,79,000	22,65,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,36,43,05,548	1,34,09,57,000	1,29,89,97,000	1,31,24,50,000 (a)
SURPLUS		...	80,86,000	2,06,07,000	3,58,000
TOTAL		1,36,43,05,548	1,34,90,43,000	1,31,96,04,000	1,31,28,08,000

f R4,27,30,000 payable by Railways to Central Revenues under the scheme for the separation of Railway finance is included on the revenue side,

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts.			
		Accounts, 1922-23.	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
		R	R	R	R
Surplus	C	...	80,86,000	2,06,07,000	3,58,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards construction of State Railways	,,	25,26,557	4,51,26,000	...	80,24,000
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	,,	66,22,99,053	33,15,56,000	37,11,64,000	36,95,87,000
Floating Debt (net incurred)	,,	...	...	...	...
Unfunded Debt (net incurred)	,,	2,96,51,483	5,01,85,000	10,74,36,000	7,51,45,000
Deposits and Advances (net)	,,	17,82,38,542	11,42,69,000	2,13,37,000	17,59,76,000
Loans and Advances by Central Government (net Repayments)	,,	20,42,338	6,67,000	20,44,000	6,70,000
Remittances (net)	,,	37,92,494	...	...	3,38,000
Balances of Provincial Governments (net)	,,	6,34,730	...	5,05,37,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES	...	87,66,58,640	49,66,77,000	55,25,18,000	62,17,16,000
TOTAL RECEIPTS	...	87,94,85,197	54,98,89,000	57,31,25,000	63,00,98,000
Opening Balance—India	...	25,66,13,170	23,89,58,170	25,95,80,424	22,96,85,424
England	...	8,99,53,817	7,41,81,817	9,82,19,688	11,80,01,688
TOTAL	...	1,22,60,52,184	86,30,28,987	93,09,25,112	97,77,85,112

M. F. GAUNTLETT,
Auditor General.

DELHI,
FINANCE DEPARTMENT,
The 29th February 1924.

Central Government, in India and in England.

	For details, *vide* Statement.	Disbursements.			
		Accounts, 1922-23.	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
		R	R	R	R
Deficit	C	15,01,76,392	...	...	...
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—					
Construction of State Railways	„	18,43,42,305	38,63,95,000	23,60,64,000	30,00,00,000
Capital outlay on Indian Postal and Telegraph Department	„	65,62,006	94,30,000	96,65,000	1,73,95,000
Construction of Irrigation Works	„	2,25,219	22,000	7,000	...
Initial expenditure on new Capital at Delhi	„	1,84,79,432	1,97,00,000	1,82,00,000	1,47,00,000
Payments for discharge of Debentures (net)	„	63,34,021	4,51,26,000	1,04,07,000	1,44,86,000
Redemption of Liabilities involved in the purchase of Railways		...	...	...	27,07,03,000
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	21,59,42,983	46,06,73,000	27,43,42,000	61,72,84,000
Debt, Deposits and Advances—					
Permanent Debt (net discharged)	C	...	...	...	...
Floating Debt (net discharged)	„	40,61,80,000	5,50,00,000	19,46,00,000	2,13,00,000
Deposits and Advances (net)	„	...	...	...	...
Loans and Advances by Central Government (net Advances)	„	...	...	...	...
Loans between Central and Provincial Governments (net Advances)	„	9,59,52,697	13,46,77,000	11,32,26,000	12,72,62,000
Remittances (net)	„	...	80,15,000	10,69,000	...
Balances of Provincial Governments (net)	„	...	1,20,12,000	...	2,33,23,000
TOTAL DEBT, DEPOSITS AND ADVANCES	...	50,21,32,697	20,97,04,000	30,88,95,000	17,18,85,000
TOTAL DISBURSEMENTS	...	86,82,52,072	67,03,77,000	58,32,38,000	78,91,69,000
Closing Balance—India	...	25,95,80,424	14,76,21,170	22,96,85,424	14,11,75,424
England	...	9,82,19,688	4,50,30,817	11,80,01,688	4,74,40,688
TOTAL	...	1,22,60,52,184	86,30,28,987	93,09,25,112	97,77,85,112

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

A.—Statement of the Revenue of the

HEADS OF REVENUE.	Accounts, 1922-23.				Revised Estimate.		
	India.	* England.	Exchange.	Total.	India.	* England.	Exchange.
	R	R	R	R	R	R	R
Principal Heads of Revenue—							
I.—Customs	41,34,65,362	...	...	**41,34,65,362**	40,41,53,000	...	...
II.—Taxes on Income	17,99,41,150	...	...	**17,99,41,150**	19,07,45,000	...	...
III.—Salt	6,82,46,112	...	...	**6,82,46,112**	8,70,27,000	...	...
IV.—Opium	3,78,92,068	...	...	**3,78,92,068**	4,30,64,000	...	...
V.—Land Revenue	42,93,120	...	...	**42,93,120**	44,68,000	...	...
VI.—Excise	51,68,531	...	...	**51,68,531**	48,87,000	...	...
VII.—Stamps—							
A.—Non-judicial	8,34,195	...	...	**8,34,195**	8,99,000	...	...
B.—Judicial	16,76,196	...	...	**16,76,196**	18,72,000	...	...
VIII.—Forest	25,28,572	...	...	**25,28,572**	24,26,000	...	...
IX.—Registration	1,49,431	...	...	**1,49,431**	1,49,000	...	...
X.—Tributes from Indian States	87,50,223	...	...	**87,50,223**	87,26,000	...	...
Total	72,29,44,960	...	...	**72,29,44,960**	74,84,16,000	...	...
Railways—							
XI.—State Railways—							
Gross Receipts	93,14,77,517	4,83,362	2,53,339	**93,22,14,218**	94,15,00,000	4,83,000	2,19,000
Deduct—Working Expenses	*65,96,16,125*	...	...	***65,96,16,125***	*60,96,00,000*	...	...
Surplus Profits paid to Companies	*69,40,501*	...	...	***69,40,501***	*1,11,42,000*	...	...
Net Receipts	26,49,20,891	4,83,362	2,53,339	**26,56,57,592**	32,07,58,000	4,83,000	2,19,000
XII.—Subsidised Companies	7,82,523	11,95,423	6,62,938	**26,40,884**	5,16,000	12,45,000	5,66,000
Total	26,57,03,414	16,78,785	9,16,277	**26,82,98,476**	32,12,74,000	17,28,000	7,85,000
Irrigation, etc.—							
XIII.—Works for which Capital accounts are kept	10,84,943	...	...	**10,84,943**	11,91,000	—65,000	—29,000
XIV.—Works for which no Capital accounts are kept	5,809	...	...	**5,809**	23,000	...	...
Total	10,90,752	...	...	**10,90,752**	12,14,000	—65,000	—29,000
Posts and Telegraphs—							
XV.—Gross Receipts	9,89,26,881	15,72,538	8,15,058	**10,13,14,477**	10,12,24,000	16,00,000	7,37,000
Deduct—Working Expenses	*8,85,89,711*	*3,23,517*	*1,71,801*	***8,90,85,029***	*9,21,84,000*	*19,75,000*	*8,98,000*
Net Receipts	1,03,37,170	12,49,021	6,43,257	**1,22,29,448**	90,40,000	—3,75,000	—1,71,000
Interest Receipts—							
XVI.—Interest	89,34,027	17,40,666	8,96,003	**1,15,70,696**	85,09,000	1,64,42,000	74,74,000
Carried over	1,00,90,10,323	46,68,472	24,55,537	**1,01,61,34,332**	1,08,84,53,000	1,77,30,000	80,59,000

* Sterling converted into Rupees at £1 = Rs. 10

Central Government, in India and in England.

923-24.	Increase (+) Decrease (—) as compared with Budget Estimate, 1923-24.	Budget Estimate, 1924-25.				Increase (+) Decrease (—) as compared with Budget, 1923-24.	Increase (+) Decrease (—) as compared with Revised, 1923-24.
Total.		India.	* England.	Exchange.	Total.		
R	R	R	R	R	R	R	R
40,41,53,000	—4,67,88,000	45,01,82,000	...	...	**45,01,82,000**	—7,59,000	+4,60,29,000
19,07,45,000	+2,81,000	18,21,97,000	...	...	**18,21,97,000**	—82,57,000	—85,48,000
8,70,27,000	—3,04,73,000	10,54,62,000	...	...	**10,54,62,000**	—1,20,38,000	+1,84,35,000
4,30,64,000	+37,52,000	4,33,60,000	...	...	**4,33,60,000**	+40,48,000	+2,96,000
44,68,000	+74,000	39,62,000	...	...	**39,62,000**	—4,32,000	—5,06,000
48,87,000	—3,71,000	45,53,000	...	...	**45,53,000**	—7,05,000	—3,34,000
8,99,000	—67,000	9,05,000	...	...	**9,05,000**	—61,000	+6,000
18,72,000	+2,57,000	18,22,000	...	...	**18,22,000**	+2,07,000	—50,000
24,26,000	—10,31,000	21,96,000	...	...	**21,96,000**	—12,61,000	—2,30,000
1,49,000	—13,000	1,43,000	...	...	**1,43,000**	—19,000	—6,000
87,26,000	+81,000	86,51,000	...	...	**86,51,000**	+6,000	—75,000
74,84,16,000	—7,42,98,000	80,34,33,000	...	...	**80,34,33,000**	—1,92,81,000	+5,50,17,000
94,22,02,000	—1,35,22,000	97,00,00,000	4,83,000	2,09,000	**97,06,92,000**	+1,49,68,000	+2,84,90,000
60,96,00,000	+2,05,50,000	*65,23,04,000*	...	...	***65,23,04,000*** (a)	—2,21,54,000	—4,27,04,000
1,11,42,000	—12,65,000	*1,14,87,000*	...	...	***1,14,87,000*** (b)	—16,10,000	—3,45,000
32,14,60,000	+57,63,000	30,62,09,000	4,83,000	2,09,000	**30,69,01,000**	—87,96,000	—1,45,59,000
23,27,000	+3,66,000	4,93,000	14,65,000	6,34,000	**25,92000**	+6,31,000	+2,65,000
32,37,87,000	+61,29,000	30,67,02,000	19,48,000	8,43,000	**30,94,93,000** (c)	—81,65,000	—1,42,94,000
10,97,000 (d)	+18,000	13,30,000	—64,000	—27,000	**12,39,000** (e)	+1,60,000	+1,42,000
23,000	+19,000	8,000	...	...	**8,000**	+4,000	—15,000
11,20,000	+37,000	13,38,000	—64,000	—27,000	**12,47,000**	+1,64,000	+1,27,000
10,35,51,000	—36,32,000	10,48,79,000	8,20,000	3,53,000	**10,60,54,000**	—11,29,000	+25,03,000
9,50,57,000	—87,06,000	*9,31,88,000*	*15,73,000*	*6,81,000*	***9,54,42,000*** (f)	—90,91,000	—3,85,000
84,94,000	—1,23,38,000	1,16,91,000	—7,53,000	—3,26,000	**1,06,12,000**	—1,02,20,000	+21,18,000
3,24,25,000	+73,29,000	93,60,000	1,56,09,000	67,56,000	**3,17,25,000**	+66,29,000	—7,00,000
1,11,42,42,000	—7,31,41,000	1,13,25,24,000	1,67,40,000	72,46,000	**1,15,65,10,000**	—3,08,73,000	+4,22,68,000

(a) Of this amount R39,27,000 is non-voted and the balance of R64,83,77,000 is voted.
(b) The whole of this amount is voted.
(c) The difference of R4,27,30,000 between the total receipts under Railways in this statement and the total expenditure under Railway Revenue Account in statement B represents the contribution payable to Central Revenues under the scheme for the separation of Railway finance.
(d) Represents net receipts after deduction of R10,40,000 on account of working expenses.
(e) Represents net receipts after deduction of R9,69,000 on account of working expenses of which R1,60,000 is non-voted and the balance of R8,09,000 is voted.
(f) Of this amount, R20,65,000 is non-voted and the balance of R9,33,77,000 is voted.

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	Accounts, 1922-23.				Revised Estimate,		
	India.	* England.	Exchange.	Total.	India.	* England.	Exchange.
	R	R	R	R	R	R	R
Brought forward	1,00,90,10,323	46,68,472	24,55,537	**1,01,61,34,332**	1,08,84,53,000	1,77,30,000	80,59,000
Civil Administration—							
XVII.—Administration of Justice	3,56,160	...	...	**3,56,160**	4,29,000	...	...
XVIII.—Jails and Convict Settlements	7,74,790	...	...	**7,74,790**	7,91,000	...	...
XIX.—Police	—10,40,488	...	...	**—10,40,488**	1,20,000	...	...
XX.—Ports and Pilotage	21,24,104	...	...	**21,24,104**	21,44,000	...	...
XXI.—Education	1,24,778	...	...	**1,24,778**	1,39,000	...	...
XXII.—Medical	63,755	686	384	**64,825**	1,14,000	...	...
XXIII.—Public Health	1,32,471	...	...	**1,32,471**	70,000	...	...
XXIV.—Agriculture	5,68,611	...	...	**5,68,611**	9,22,000	...	...
XXV.—Industries	2,020	...	...	**2,020**	1,000	...	...
XXVI.—Miscellaneous Departments	13,27,257	...	...	**13,27,257**	20,19,000	...	...
Total	44,33,458	686	384	**44,34,528**	67,49,000	...	...
Currency, Mint and Exchange—							
XXVII.—Currency	3,12,08,339	14,70,102	8,30,279	**3,35,08,720**	2,73,37,000	14,57,000	6,63,000
XXVIII.—Mint	26,94,063	228	120	**26,94,411**	13,10,000	1,000	...
Total	3,39,02,402	14,70,330	8,30,399	**3,62,03,131**	2,86,47,000	14,58,000	6,63,000
Civil Works—							
XXX.—Civil Works	14,38,067	...	...	**14,38,067**	13,19,000	...	...
Miscellaneous—							
XXXIII.—Receipts in aid of Superannuation	22,93,709	3,64,808	1,92,092	**28,50,509**	20,04,000	3,60,000	1,64,000
XXXIV.—Stationery and Printing	17,01,574	11,204	4,353	**17,19,131**	13,7 ,000	7,000	3,000
XXXV.—Miscellaneous	5,88,047	7,03,508	3,85,430	**16,76,985**	—1,28,000	1,96,88,000	89,26,000
Total	45,83,230	10,79,610	5,83,785	**62,46,625**	32,46,000	2,00,05,000	90,93,000
Military Receipts—							
XXXVI.—Army—							
Effective	3,36,22,667	74,81,527	38,67,726	**4,49,71,920**	2,36,13,000	38,20,000	17,37,000
Non-effective	10,85,290	15,25,970	7,89,713	**34,00,973**	9,98,000	12,12,000	5,61,000
	3,47,07,957	90,07,497	46,57,439	**4,83,72,893**	2,46,11,000	50,32,000	22,88,000
XXXVII.—Marine	32,72,538	...	...	**32,72,538**	29,99,000	...	...
XXXVIII.—Military Works	57,33,434	...	...	**57,33,434**	70,23,000	...	...
Total	4,37,13,929	90,07,497	46,57,439	**5,73,78,865**	3,46,33,000	50,32,000	22,88,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—							
XXXIX.—Contributions and Assignments to the Central Government by Provincial Governments	9,20,00,000	...	...	**9,20,00,000**	9,20,00,000	...	...
XL.—Miscellaneous adjustments between the Central and Provincial Governments	2,93,603	...	...	**2,93,608**	2,29,000	...	...
Total	9,22,93,603	...	...	**9,22,93,608**	9,22,29,000	...	...
TOTAL REVENUE	1,18,93,75,017	1,62,26,595	85,27,544	**1,21,41,29,156**	1,25,52,76,000	4,42,25,000	2,01,03,000

* Sterling converted into Rupees at £1 = Rs. 10.

Government, in India and in England—*continued.*

1923-24.	Increase (+) Decrease (−) as compared with Budget Estimate, 1923-24.	Budget Estimate, 1924-25.				Increase (+) Decrease (−) as compared with Budget, 1923-24.	Increase (+) Decrease (−) as compared with Revised, 1923-24.
Total.		India.	* England.	Exchange.	Total.		
R	R	R	R	R	R	R	R
1,11,42,42,000	—7,31,41,000	1,13,25,24,000	1,67,40,000	72,46,000	**1,15,65,10,000**	—3,08,73,000	+4,22,68,000
4,29,000	+45,000	4,47,000	...	...	**4,47,000**	+63,000	+18,000
7,81,000	—1,18,000	7,84,000	...	...	**7,84,000**	—1,25,000	—7,000
1,20,000	—44,000	98,000	...	...	**98,000**	—66,000	—22,000
21,44,000	—3,07,000	22,49,000	...	...	**22,49,000**	—2,02,000	+1,05,000
1,38,000	+6,000	1,30,000	...	...	**1,30,000**	—3,000	—9,000
1,14,000	+7,000	1,09,000	...	...	**1,09,000**	+2,000	—5,000
70,000	—52,000	80,000	...	...	**80,000**	—42,000	+10,000
9,22,000	+4,21,000	10,30,000	...	...	**10,30,000**	+5,29,000	+1,08,000
1,000	+1,000	..	...	...	...	...	—1,000
20,19,000	+5,82,000	22,74,000	...	...	**22,74,000**	+8,37,000	+2,55,000
67,49,000	+5,41,000	72,01,000	...	...	**72,01,000**	+9,93,000	+4,52,000
2,94,57,000	+30,22,000	2,97,41,000	34,88,000	15,10,000	**3,47,39,000**	+83,04,000	+52,82,000
13,11,000	+8,20,000	16,46,000	1,000	...	**16,47,000**	+11,56,000	+3,36,000
3,07,68,000	+38,42,000	3,13,87,000	34,89,000	15,10,000	**3,63,86,000**	+94,60,000	+56,18,000
13,19,000	+2,50,000	12,36,000	...	...	**12,36,000**	+1,67,000	—83,000
25,28,000	+6,000	19,76,000	3,48,000	1,51,000	**24,75,000**	—47,000	—53,000
13,53,000	+2,03,000	8,53,000	7,000	3,000	**8,63,000**	—3,14,000	—5,17,000
2,84,36,000	+2,73,01,000	5,03,000	20,29,000	8,78,000	**34,10,000**	+22,75,000	—2,50,26,000
3,23,41,000	+2,75,10,000	33,32,000	23,84,000	10,32,000	**67,48,000**	+19,14,000	—2,55,96,000
2,91,70,000	+52,32,000	1,62,70,000	35,85,000	15,51,000	**2,14,06,000**	—25,32,000	—77,64,000
27,61,000	—30,000	9,77,000	10,85,000	4,70,000	**25,32,000**	—2,59,000	—2,29,000
3,19,31,000	+52,02,000	1,72,47,000	46,70,000	20,21,000	**2,39,38,000**	—27,91,000	—79,93,000
29,99,000	+8,70,000	14,92,000	...	...	**14,92,000**	—6,37,000	—15,07,000
70,23,000	+53,94,000	20,80,000	...	...	**20,86,000**	+4,57,000	—49,37,000
4,19,53,000	+1,14,66,000	2,08,25,000	46,70,000	20,21,000	**2,75,16,000**	—29,71,000	—1,44,37,000
9,20,00,000	...	7,70,12,000	...	...	**7,70,12,000**	—1,49,88,000	—1,49,88,000
2,29,000	+93,000	1,99,000	...	...	**1,99,000**	+63,000	—30,000
9,22,29,000	+93,000	7,72,11,000	...	...	**7,72,11,000**	—1,49,25,000	—1,50,18,000
1,31,96,04,000	—2,94,39,000	1,27,37,16,000	2,72,83,000	1,18,09,000	**1,31,28,08,000** (a)	—3,62,35,000	—67,96,000

(a) If the estimate of Railway Revenue in this statement is replaced by the contribution payable to Central Revenues under the separation scheme, the estimated total revenue will amount to ₹1,04,60,45,000.

B.—Statement of the Expenditure charged to the Revenues

HEADS OF EXPENDITURE.	Accounts, 1922-23.				Revised Estimate,		
	India.	England.	Exchange.	Total.	India.	England.	Exchange.
	R	R	R	R	R	R	R
Direct Demands on the Revenues—							
1.—Customs	69,30,458	86,613	44,929	**70,62,000**	69,94,000	1,37,000	62,000
2.—Taxes on income	43,94,578	40,095	21,263	**44,56,136**	64,46,000	36,000	16,000
3.—Salt	1,50,47,654	57,471	31,022	**1,51,36,147**	1,41,86,000	54,000	25,000
4.—Opium	1,86,01,913	38,462	20,278	**1,86,60,613**	2,57,43,000	69,000	31,000
5—Land Revenue	12,96,750	26,867	14,184	**13,37,101**	11,09,000	51,000	23,000
6.—Excise	2,52,633	13,095	6,808	**2,72,536**	2,30,000	10,000	5,000
7.—Stamps—							
A.—Non-judicial	−14,07,464	18,24,757	9,25,034	**13,42,327**	−39,81,000	3,20,000	1,45,000
B.—Judicial					3,20,000	...	...
8.—Forests	31,09,100	5,18,302	2,70,045	**38,97,447**	32,71,000	5,18,000	2,36,000
9.—Registration	40,643	...	...	**40,643**	36,000	...	...
Total	4,82,65,755	26,05,662	13,33,563	**5,22,04,980**	5,43,54,000	11,95,000	5,43,000
Railway Revenue Account—							
10.—State Railways:							
Interest on Debt	9,83,68,192	4,24,28,620	2,26,50,537	**16,34,47,349**	11,05,44,000	4,34,87,000	1,97,67,000
Interest on Capital contributed by Companies	3,88,034	2,18,52,849	1,13,14,729	**3,35,55,612**	4,30,000	2,11,40,000	96,09,000
Annuities in purchase of Railways	...	3,35,77,160	1,77,02,227	**5,13,79,387**	...	3,35,75,000	1,52,61,000
Sinking Funds	...	31,73,515	16,40,322	**47,13,837**	...	32,73,000	14,88,000
11.—Subsidised Companies	9,43,460	...	...	**9,43,460**	7,41,000	...	...
12.—Miscellaneous Railway Expenditure	−2,60,196	15,38,463	8,21,335	**20,99,602**	−5,97,000	15,60,000	7,09,000
12A.—Surplus Revenue transferred to Reserve	...	...	...	...	...	...	...
Total	9,94,39,490	10,24,70,607	5,41,89,150	**25,60,99,247**	11,11,18,000	10,30,35,000	4,68,34,000
Irrigation, etc., Revenue Account—							
14.—Works for which Capital accounts are kept—							
Interest on Debt	12,18,882	...	...	**12,18,882**	12,33,000	...	...
15.—Other Revenue Expenditure	98,601	18,247	9,534	**1,26,382**	2,08,000	34,000	16,000
Total	13,17,483	18,247	9,534	**13,45,264**	14,41,000	34,000	16,000
Irrigation, etc., Capital Account (charged to Revenue)—							
16.—Construction of Irrigation, etc., Works—Financed from Ordinary Revenues.	30,127	...	...	**30,127**	1,60,000	...	...
Posts and Telegraphs Revenue Account—							
17.—*Posts and Telegraphs*—							
Interest on Debt	59,16,002	...	...	**59,16,002**	63,60,000	...	...
Posts and Telegraphs Capital Account (charged to Revenue)—							
18.—Capital outlay on Posts and Telegraphs—							
Indian Postal and Telegraph Department	−36,73,788	38,14,852	20,37,524	**21,78,588**	−68,12,000	15,00,000	6,82,000
Indo-European Telegraph Department	−5,87,360	1,26,414	64,892	**−3,96,054**	−3,63,000	−72,000	−33,000
Total	−42,61,148	39,41,266	21,02,416	**17,82,534**	−71,75,000	14,28,000	6,49,000
Debt Services—							
19.—Interest on Ordinary Debt	17,66,53,811	8,65,97,278	4,55,69,437	**30,88,20,526**	19,22,00,000	10,27,16,000	4,66,89,000
Deduct—Amount chargeable to—							
Railways	*9,83,68,192*	*4,24,28,620*	*2,26,50,537*	***16,34,47,349***	*11,05,44,000*	*4,34,87,000*	*1,97,67,000*
Irrigation	*12,18,882*	...	...	***12,18,882***	*12,33,000*	...	...
Posts and Telegraphs	*59,16,002*	...	...	***59,16,002***	*63,60,000*	...	...
Provincial Governments	*3,02,00,692*	...	...	***3,02,00,692***	*3,74,90,000*	...	...
Remainder chargeable to Ordinary Debt	4,09,50,043	4,41,68,658	2,29,18,900	**10,80,37,601**	3,65,73,000	5,92,29,000	2,69,22,000
20.—Interest on other Obligations	3,06,19,037	51,360	25,231	**3,06,95,628**	3,08,54,000	76,000	35,000
21.—Reduction or Avoidance of Debt	1,54,00,000	50,00,000	24,56,311	**2,28,56,311**	73,61,000	44,26,000	20,12,000
Total	8,69,69,080	4,92,20,018	2,54,00,442	**16,15,89,540**	7,47,88,000	6,37,31,000	2,89,69,000
Carried over	23,76,76,789	15,82,55,800	8,30,35,105	**47,89,67,694**	24,10,46,000	16,94,23,000	7,70,11,000

*Sterling converted into Rupees at £1 = Rs. 10.

of the Central Government, in India and in England.

1923-24.		Budget Estimate, 1924-25.							
Total.	Increase (+) Decrease (—) as compared with Budget, 1923-24.	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1923-24.	Increase (+) Decrease(—) as compared with Revised, 1923-24.	Distribution of Total between	
								Voted.	Non-voted.
R	R	R	R	R	R	R	R	R	R
71,93,000	—57,000	81,70,000	1,30,000	56,000	83,56,000	+11,06,000	+11,63,000	73,97,000	9,59,000
64,98,000	+1,19,000	64,53,000	46,000	20,000	65,19,000	+1,40,000	+21,000	61,48,000	3,71,000
1,42,65,000	—11,85,000	1,44,46,000	62,000	27,000	1,45,35,000	—9,15,000	+2,70,000	1,06,92,000	38,43,000
2,58,43,000	+70,12,000	2,08,01,000	75,000	32,000	2,09,08,000	+20,77,000	—49,35,000	2,08,02,000	1,06,000
11,83,000	+17,000	12,78,000	41,000	18,000	13,37,000	+1,71,000	+1,54,000	12 15,000	1,22,000
2,45,000	—26,000	2,36,000	21,000	9,000	2,66,000	—5,000	+21,000	1,57,000	1,09,000
—35,16,000	—31,96,000	—8,12,000	5,00,000	2,16,000	—96,000	+2,24,000	+34,20,000	} 1,55,000	18,000
3,20,000	+2,77,000	2,69,000	...	...	2,69,000	+2,26,000	—51,000		
40,25,000	—5,85,000	28,95,000	3,62,000	1,57,000	34,14,000	—11,96,000	—6,11,000	28,32,000	5,82,000
36,000	—6,000	37,000	...	...	37,000	—5,000	+1,000	33,000	4,000
5,60,92,000	+23,70,000	5,37,73,000	12,37,000	5,35,000	5,55,45,000	+18,23,000	—5,47,000	4,94,31,000	61,14,000
17,37,98,000	—10,51,060	12,41,63,000	4,72,09,000	2,04,33,000	19,18,05,000	+40,15,000	+1,80,07,000	...	19,18,05,000
3,11,79,000	—10,51,000	4,70,000	1,92,20,000	83,19,000	2,80,09,000	—42,21,000	—31,70,000	...	2,80,09,000
4,88,36,000	—15,26,000	...	2,07,67,000	89,89,000	(a)2,97,56,000	—2,06,06,000	—1,90,80,000	...	2,97,56,000
47,61,000	+1,49,000	...	...	...	(b)...	—49,10,000	—47,61,000	...	...
7,41,000	—18,49,000	16,00,000	...	...	16,00,000	—9,90,000	+8,59,000	16,00,000	...
16,72,000	+4,22,000	—4,11,000	16,54,000	8,02,000	22,45,000	+9,95,000	+5,73,000	11,96,000	10,49,000
...	...	1,33,48,000	...	...	1,33,48,000	+1,33,48,000	+1,33,48,000	1,33,48,000	...
26,99,87,000	—1,81,45,000	13,91,70,000	8,90,50,000	3,85,43,000	(c) 26,67,63,000	—1,23,69,000	+57,76,000	1,61,44,000	25,06,19,000
12,33,000	+1,45,000	12,41,000	...	...	12,41,000	+1,53,000	+8,000	...	12,41,000
2,58,000	+1,42,000	8,76,000	33,000	14,000	9,23,000	+8,07,000	+6,65,000	8,72,000	51,000
14,91,000	+2,87,000	21,17,000	33,000	14,000	21,64,000	+9,60,000	+6,73,000	8,72,000	12,92,000
1,60,000	—56,000	1,21,000	...	...	1,21,000	—95,000	—39,000	1,21,000	...
63,60,000	—4,68,000	71,00,000	...	...	71,00,000	+2,72,000	+7,40,000	...	71,00,000
—46,30,000	—34,56,000	—1,12,81,000	16,80,000	7,27,000	—88,74,000	—77,00,000	—42,44,000	—88,74,000	...
—4,68,000	—1,49,000	—3,92,000	6,53,000	2,84,000	5,45,000	+8,64,000	+10,13,000	5,45,000	...
—50,98,000	—36,05,000	—1,16,73,000	23,33,000	10,11,000	—83,29,000	—68,36,000	—32,31,000	—83,29,000	...
34,16,05,000	—1,20,68,000	20,00,00,000	10,48,90,000	4,54,00,000	35,02,90,000	—33,83,000	+86,85,000	...	...
17,37,98,000	+1,39,92,000	*12,41,63,000*	*4,72,09,000*	*2,04,33,000*	*19,18,05,000*	—40,15,000	—1,80,07,000	...	...
12,33,000	—1,45,000	*12,41,000*	...	...	*12,41,000*	—1,53,000	—8,000	...	...
63,60,000	+4,68,000	*71,00,000*	...	...	*71,00,000*	—2,72,000	—7,40,000	...	...
3,74,90,000	+25,25,000	*4,46,08,000*	...	...	*4,46,08,000*	—45,93,000	—71,18,000	...	...
12,27,24,000	+47,72,000	2,28,88,000	5,76,81,000	2,49,67,000	10,55,36,000	—1,24,16,000	—1,71,88,000	21,16,000	10,34,30,000
3,09,65,000	—11,96,000	3,63,06,000	70,000	30,000	3,64,06,000	+42,45,000	+54,41,000	3,63,06,000	1,00,000
1,37,90,000	—82,45,000	99,31,000	2,06,88,000	89,54,000	3,95,73,000	+1,75,29,000	+2,57,74,000	...	3,95,73,000
16,74,88,000	—46,69,000	6,91,25,000	7,84,39,000	3,39,51,000	18,15,15,000	+93,58,000	+1,40,27,000	3,84,12,000	14,31,03,000
48,74,80,000	—2,42,86,000	25,97,33,000	17,10,92,000	7,40,54,000	50,48,79,000	—68,87,00	+1,73,99,000	9,66,51,000	40,82,28,000

(a) Represents only the interest portion of the annuities, the capital portion being included under the head "21—Reduction or Avoidance of Debt."
(b) Included under "21—Reduction or Avoidance of Debt."
(c) See note (c) on page 29.

B.—Statement of the Expenditure charged to the Revenues

HEADS OF EXPENDITURE.	ACCOUNTS, 1922-23. India.	England.*	Exchange.	TOTAL.	REVISED ESTIMATE, India.	England.*	Exchange.
	₹	₹	₹	₹	₹	₹	₹
Brought forward	23,76,76,789	15,82,55,800	8,36,35,105	**47,89,67,694**	24,10,46,000	16,94,23,000	7,70,11,000
Civil Administration—							
22.—General Administration—							
A.—Heads of Provinces (including Governor General) and Executive Councils					24,47,000	...	...
B.—Legislative Bodies					7,27,000	...	...
C.—Secretariat and headquarters establishment	1,26,83,295	...	...	**1,26,83,295**	67,74,000	...	...
D.—Commissioners					8,000	...	...
E.—District Administration					15,75,000	...	...
F.—Home Administration, etc.	...	51,07,680	26,26,147	**77,33,827**	...	32,39,000	14,72,000
23.—Audit	70,28,026	3,18,345	1,66,779	**75,13,150**	70,40,000	2,71,000	1,23,000
24.—Administration of Justice	9,99,342	73,088	38,316	**11,10,746**	12,70,000	82,000	37,000
25.—Jails and Convict Settlements	40,35,289	29,527	15,702	**40,80,518**	36,76,000	49,000	22,000
26.—Police	87,15,672	1,52,451	79,272	**89,47,395**	82,54,000	1,91,000	87,000
27.—Ports and Pilotage	20,12,187	1,55,432	83,749	**22,51,368**	21,60,000	1,19,000	54,000
28.—Ecclesiastical	25,65,461	2,66,376	1,40,438	**29,72,275**	25,93,000	2,78,000	1,26,000
29.—Political	2,94,71,976	5,86,237	3,10,466	**3,03,68,679**	3,04,10,000	—3,89,000	—1,77,000
30.—Scientific Departments	81,28,501	6,20,832	3,28,422	**90,77,755**	79,02,000	5,65,000	2,57,000
31.—Education	30,16,322	40,260	21,049	**30,77,631**	30,85,000	90,000	41,000
32.—Medical	25,64,110	4,43,132	2,29,735	**32,36,977**	23,89,000	3,43,000	1,56,000
33.—Public Health	15,29,878	47,636	25,241	**16,02,755**	15,22,000	65,000	30,000
34.—Agriculture	19,90,617	61,277	32,814	**20,84,708**	23,16,000	1,32,000	60,000
35.—Industries	11,033	15,579	7,996	**34,608**	21,000	41,000	19,000
36.—Aviation	46,009	1,104	599	**47,712**	22,000	1,000	...
37.—Miscellaneous Departments	20,77,928	3,51,308	1,79,405	**26,08,641**	19,48,000	15,03,000	6,84,000
TOTAL	8,68,75,646	82,70,264	42,86,130	**9,94,32,040**	8,61,39,000	65,80,000	29,91,000
Currency, Mint and Exchange—							
38.—Currency	27,56,168	39,18,338	20,39,700	**87,14,206**	30,80,000	41,06,000	18,66,000
39.—Mint	15,12,179	54,206	29,140	**15,95,525**	14,06,000	51,000	23,000
TOTAL	42,68,347	39,72,544	20,68,840	**1,03,09,731**	44,86,000	41,57,000	18,89,000
Civil Works—							
41.—Civil Works	1,32,97,744	1,19,926	63,370	**1,34,81,040**	1,59,32,000	1,23,000	56,000
Miscellaneous—							
43.—Famine Relief and Insurance—							
A.—Famine Relief	80,651	...	...	**80,651**	12,000	...	...
44.—Territorial and Political Pensions	27,37,834	1,15,633	60,260	**29,13,727**	28,53,000	1,24,000	56,000
45.—Superannuation Allowances and Pensions	37,66,429	2,11,47,540	1,11,30,499	**3,60,44,468**	13,12,000	2,03,55,000	92,52,000
46.—Stationery and Printing	40,42,494	14,24,492	7,48,184	**62,15,170**	38,63,000	18,79,000	8,54,000
47.—Miscellaneous	48,14,104	12,98,060	6,89,908	**68,02,072**	51,24,000	16,01,000	7,28,000
TOTAL	1,54,41,512	2,39,85,725	1,26,28,851	**5,20,56,088**	1,31,64,000	2,39,59,000	1,08,90,000
Military Services—							
48.—Army—							
Effective	44,33,06,927	7,27,96,971	3,74,68,758	**55,35,72,656**	39,59,98,000	6,60,80,000	3,00,57,000
Non-effective	4,15,19,947	3,42,12,042	1,77,55,505	**9,34,87,494**	4,00,83,000	3,62,48,000	1,64,76,000
	48,48,26,874	10,70,09,013	5,52,24,263	**64,70,60,150**	43,60,81,000	10,23,28,000	4,65,13,000
49.—Marine	99,77,625	16,49,400	13,71,593	**1,39,98,618**	60,89,000	25,96,000	11,80,000
50.—Military Works	4,67,09,652	15,28,886	7,61,649	**4,90,00,187**	4,33,34,000	8,60,000	3,91,000
TOTAL	54,15,14,151	11,11,87,299	5,73,57,505	**71,00,58,955**	48,55,04,000	10,57,84,000	4,80,84,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—							
52.—Miscellaneous adjustments between the Central and Provincial Governments	...	...	...	...	17,79,000	...	
TOTAL EXPENDITURE CHARGED TO REVENUE.	89,90,74,189	30,57,91,558	15,94,39,801	**1,36,43,05,548**	84,80,50,000	31,00,26,000	14,09,21,000

*Sterling converted into Rupees at £1 = ₹10.

of the Central Government in India and in England—*continued.*

1923-24.		BUDGET ESTIMATE, 1924-25.							
Total.	Increase (+) Decrease (—) as compared with Budget, 1923-24.	India.	* England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1923-24.	Increase (+) Decrease (—) as compared with Revised, 1923-24.	Distribution of Total between	
								Voted.	Non-voted.
R	R	R	R	R	R	R	R	R	R
48,74,80,000	—2,42,86,000	25,97,33,000	17,10,92,000	7,40,54,000	50,48,79,000	—68,87,000	+1,73,99,000	9,66,51,000	40,82,28,000
24,47,000	+12,000	24,02,000	...	...	24,02,000	—33,000	—45,000		
7,27,000	—1,81,000	7,42,000	...	...	7,42,000	—1,66,000	+15,000		
67,74,000	+2,29,000	71,38,000	...	...	71,38,000	+5,93,000	+3,64,000	99,05,000	65,58,000
8,000	—6,000	8,000	...	...	8,000	—6,000	...		
15,75,000	—94,000	15,47,000	...	...	15,47,000	—1,22,000	—28,000		
47,11,000	+5,72,000	...	32,29,000	13,97,000	46,26,000	+4,87,000	—85,000		
74,34,000	—5,06,000	80,83,000	2,79,000	1,21,000	84,83,000	+5,43,000	+10,49,000	77,65,000	7,18,000
13,89,000	+2,17,000	11,32,000	82,000	36,000	12,50,000	+78,000	—1,39,000	9,14,000	3,36,000
37,47,000	—2,62,000	39,12,000	47,000	20,000	39,79,000	—30,000	+2,32,000	37,49,000	2,30,000
85,32,000	—1,48,000	86,10,000	1,86,000	81,000	88,77,000	+1,97,000	+3,45,000	78,78,000	9,99,000
23,33,000	—1,79,000	22,86,000	1,75,000	76,000	25,37,000	+25,000	+2,04,000	12,74,000	12,63,000
29,97,000	—2,86,000	29,34,000	2,77,000	1,20,000	33,31,000	+48,000	+3,34,000	...	33,31,000
2,98,44,000	—16,47,000	3,15,73,000	4,67,000	2,02,000	3,22,42,000	+7,51,000	+23,98,000	...	3,22,42,000
87,24,000	—1,69,000	70,37,000	6,25,000	2,71,000	79,33,000	—9,60,000	—7,91,000	61,08,000	18,25,000
32,16,000	...	30,61,000	75,000	32,000	31,68,000	—48,000	—48,000	26,48,000	5,20,000
28,88,000	+1,08,000	24,15,000	3,32,000	1,44,000	28,91,000	+1,11,000	+3,000	18,32,000	10,59,000
16,17,000	—53,000	12,78,000	66,000	29,000	13,73,000	—2,37,000	—2,44,000	5,44,000	8,29,000
25,08,000	+4,27,000	25,20,000	99,000	43,000	26,62,000	+5,81,000	+1,54,000	21,74,000	4,88,000
81,000	+5,000	11,000	49,000	21,000	81,000	+5,000	...	61,000	20,000
23,000	—1,000	21,000	1,000	...	22,000	—2,000	—1,000	20,000	2,000
41,35,000	—1,57,000	20,05,000	5,16,000	2,23,000	27,44,000	—15,48,000	—13,91,000	23,70,000	3,74,000
9,57,10,000	—21,19,000	8,87,15,000	65,05,000	28,16,000	9,80,36,000	+2,07,000	+23,26,000	4,72,42,000	5,07,94,000
90,52,000	—4,37,000	29,98,000	21,97,000	9,51,000	61,46,000	—33,43,000	—29,06,000	59,58,000	1,88,000
14,80,000	—3,42,000	14,88,000	68,000	29,000	15,85,000	—2,37,000	+1,05,000	14,31,000	1,54,000
1,05,32,000	—7,79,000	44,86,000	22,65,000	9,80,000	77,31,000	—35,80,000	—28,01,000	73,89,000	3,42,000
1,61,11,000	—15,52,000	2,04,75,000	1,22,000	53,000	2,06,50,000	+29,87,000	+45,39,000	1,39,69,000	66,81,000
12,000	+7,000	14,000	...	...	14,000	+9,000	+2,000	14,000	...
30,33,000	+47,000	28,29,000	1,15,000	50,000	29,94,000	+8,000	—39,000	...	29,94,000
3,09,19,000	—37,43,000	14,38,000	1,98,54,000	85,93,000	2,98,85,000	—47,77,000	—10,34,000	40,86,000	2,57,99,000
65,96,000	+5,96,000	41,08,000	7,06,000	3,06,000	51,20,000	—8,80,000	—14,76,000	50,24,000	96,000
74,53,000	—4,33,000	75,50,000	23,10,000	10,00,000	1,08,60,000	+29,74,000	+34,07,000	78,49,000	30,11,000
4,80,13,000	—35,26,000	1,59,39,000	2,29,85,000	99,49,000	4,88,73,000	—26,66,000	+8,60,000	1,69,73,000	3,19,00,000
49,21,15,000	—1,59,24,000	39,21,39,000	6,65,17,000	2,87,90,000	48,74,37,000	—2,06,02,000	—46,78,000	...	48,74,37,000
9,28,07,000	+23,50,000	3,96,59,000	3,60,92,000	1,56,22,000	9,13,73,000	+9,16,000	—14,34,000	...	9,13,73,000
58,49,22,000	—1,35,74,000	43,17,89,000	10,26,09,000	4,44,12,000	57,88,10,000	—1,96,86,000	—61,12,000	...	57,88,10,000
98,65,000	+2,29,000	55,97,000	24,92,000	10,79,000	91,68,000	—4,68,000	—6,97,000	...	91,68,000
4,45,85,000	+22,30,000	4,13,53,000	4,78,000	2,07,000	4,20,38,000	—3,17,000	—25,47,000	...	4,20,38,000
63,93,72,000	—1,11,15,000	47,87,39,000	10,55,79,000	4,56,98,000	63,00,16,000	—2,04,71,000	—93,56,000	...	63,00,16,000
17,79,000	+14,17,000	22,65,000	...	...	22,65,000	+19,03,000	+4,86,000	22,65,000	...
1,29,89,97,000	4,19,60,000	87,03,52,000	30,85,48,000	13,35,50,000	1,31,24,50,000 (a)	—2,85,07,000	+1,34,53,000	18,44,89,000	1,12,79,61,000

(a) If the estimates of revenue expenditure on account of Railways shown in this statement is excluded under the separation scheme, the estimate of total expenditure will amount to Rs. 1,04,56,87,000.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1922-23.			Revised Estimate, 1923-24.			Budget Estimate, 1924-25.		
	India.	England.*	Total.	India.	England.*	Total.	India.	England.*	Total.
	R	R	R	R	R	R	R	R	R
Revenue (from Statement A)	1,18,93,75,017	1,62,26,595	1,20,56,01,612	1,25,52,76,000	4,42,25,000	1,29,95,01,000	1,27,37,16,000	2,72,83,000	1,30,09,99,000
Exchange added to Revenue	85,27,544	...	85,27,544	2,01,03,000	...	2,01,03,000	1,18,09,000	...	1,18,09,000
Total	1,19,79,02,561	1,62,26,595	1,21,41,29,156	1,27,53,79,000	4,42,25,000	1,31,96,04,000	1,28,55,25,000	2,72,83,000	1,31,28,08,000
Excess of Revenue over Expenditure charged to Revenue			**—15,01,76,392**			**2,06,07,000**			**3,58,000**
Railway Capital not charged to Revenue—									
Capital contributed by Railway Companies and Indian States towards outlay on State Railways	10,41,557	17,85,000	28,26,557	...	...	...	24,24,000	56,00,000	80,24,000
Public Debt Incurred—									
Permanent Debt—									
Sterling Debt—									
Debenture stock of East Indian Railway Company taken over by the Secretary of State	...	...		...	...		...	18,50,00,000	
5½ per cent. Stock	...	14,55,03,954		...	9,29,000		...	9,87,000	
4½ per cent. Stock	...	17,00,00,000		...	18,06,54,000		...	8,68,000	
Rupee Debt –									
New Rupee Loan	...	...		...	...		20,00,00,000	...	
6 per cent. Bonds, 1932	19,49,00,000	...		...	...		...	...	
6 per cent. Bonds, 1926	1,500	...		...	...		...		
6 per cent. Bonds, 1927	27,38,19,300	...		2,000	...		...	...	
5½ per cent. War Bonds, 1921	100	...		...	...		...	...	
5 per cent. Loan, 1945-55	...	...		9,79,77,000	...		...	...	
5 per cent. Bonds, 1933	...	...		14,17,70,000	...		...	...	
3½ per cent. Loans	...	...		12,00,000	...		6,00,000	...	
Total	46,87,20,900	31,55,08,954	78,42,29,854	24,09,49,000	18,15,83,000	42,25,32,000	20,06,00,000	18,68,55,000	38,74,55,000
Net			**66,22,99,053**			**37,11,64,000**			**36,95,87,000**
Floating Debt—									
Treasury Bills—									
Issued to Public	46,19,10,000	...		6,63,00,000	...		...	...	
Issued to Paper Currency Reserve	49,65,00,000	...		55,25,00,000	...		55,25,00,000	...	
Other Floating Loans	...	...		5,00,00,000	...		...	...	
Total	95,84,10,000	...	95,84,10,000	66,88,00,000	...	66,88,00,000	55,25,00,000	...	55,25,00,000
Net			**0**			**0**			**0**
Unfunded Debt—									
Deposits of Service Funds	15,83,523	20,102		14,51,000	10,92,000		14,20,000	1,62,000	
Post Office Cash Certificates	70,00,693	...		7,00,00,000	...		3,00,00,000	...	
Savings Bank Deposits	24,28,22,723	1,94,702		26,23,35,000	1,40,000		27,74,42,000	1,20,000	
Total	25,14,06,339	2,14,804	25,16,21,143	33,37,86,000	12,32,000	33,50,18,000	30,88,62,000	2,82,000	30,91,44,000
Net			**2,96,51,483**			**10,74,36,000**			**7,51,45,000**
Deposits and Advances—									
Appropriation for Reduction or Avoidance of Debt	...	...		...	...		11,00,000	...	
Deposits of Local Funds—									
District Funds	11,90,75,383	...		12,25,19,000	...		12,05,85,000	...	
Other Funds	8,20,49,830	...		8,11,35,000	...		8,26,75,000	...	
Deposits of Branch Line Companies	3,25,196	...		8,54,000	...		9,97,000	...	
Sinking Funds for Central Loans	1,54,00,000	...		73,61,000	...		88,31,000	...	
Other Sinking Fund Deposits	3,12,583	...		3,25,000	...		3,38,000	...	
Gold Standard Reserve	...	1,47,88,92,023		...	1,19,54,21,000		...	1,10,74,06,000	
Paper Currency Reserve	2,12,47,911	24,19,85,356		2,97,72,000	43,25,37,000		...	45,98,58,000	
Departmental and Judicial Deposits	80,73,52,914	...		74,63,48,000	...		74,15,09,000	...	
Railway Revenue Surplus Account	...	...		...	...		1,33,48,000	...	
Advances	13,17,50,326	1,25,73,370		20,66,37,000	77,00,000		18,58,20,000	6,68,000	
Discount Sinking Fund	...	...		...	...		4,40,000	...	
Suspense Accounts	95,49,987	2,47,54,928		1,98,35,000	1,82,48,000		1,03,41,000	1,72,58,000	
Exchange on Remittance Accounts	16,95,17,740	...		1,60,89,000	...		15,60,96,000	...	
Miscellaneous	11,24,25,997	72,20,111		49,00,000	34,77,000		1,15,94,000	36,79,000	
Total	1,46,90,07,867	1,76,54,25,788	3,23,44,33,655	1,23,57,75,000	1,65,73,83,000	2,89,31,58,000	1,33,56,74,000	1,58,88,69,000	2,92,45,43,000
Net			**17,82,38,542**			**2,13,37,000**			**17,59,76,000**
Carried over	4,34,64,89,224	2,09,91,61,141		3,75,46,89,000	1,88,44,23,000		3,68,55,85,000	1,80,88,69,000	

* Sterling converted into Rupees at £1 = Rs. 10.

Central Government, in India and in England.

	Accounts, 1922-23.			Revised Estimate, 1923-24.			Budget Estimate, 1924-25.		
	India.	* England.	Total.	India.	* England.	Total.	India.	* England.	Total.
	R	R	R	R	R	R	R	R	R
Expenditure (from Statement B)	89,90,74,189	30 57 91,558	1,20,48,65,747	84,80,50,000	31,00,26,000	1,15,80,76,000	87,03,52,000	30,85,48,000	1,17,89,00,000
Exchange charged as Expenditure	15,94,39,801	...	15,94,39,801	14,09,21,000	...	14,09,21,000	13,35,50,000	...	13,35,50,000
Total	1,05,85,13,990	30,57,91 558	1,36,43,05,548	98,89,71,000	31,00,26,000	1,29,89,97,000	1,00,39,02,000	30,85,48,000	1,31,24,50,000
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—									
Construction of State Railways	8,56,60,812	9,86,81,493	18,43,42,305	12,83,12,000	10,77,52,000	23,60,64,000	18,43,16,000	11,56,84,000	(a) 30,00,00,000
Redemption of Liabilities involved in the purchase of Railways	...	...	...	...	...	...	8,57,03,000	18,50,00,000	27,07,03,000
Payments for discharge of debentures	23,34,021	40,00,000	63,34,021	32,52,000	71,55,000	1,04,07,000	43,76,000	1,01,10,000	1,44,86,000
Construction of Irrigation Works	2,24,273	946	2,25,219	5,000	2,000	7,000	...	...	...
Capital outlay on Indian Postal and Telegraph Department	65,62,006	...	65,62,006	96,65,000	...	96,65,000	1,73,95,000	...	(b) 1,73,95,000
Initial expenditure on new Capital at Delhi	1,66,89,065	17,90,367	1,84,79,432	1,74,69,000	7,31,000	1,82,00,000	1,41,62,000	5,38,000	(c) 1,47,00,000
Public Debt Discharged—									
Permanent Debt—									
Rupee Debt—									
5½ p. c. War Bonds, 1920	12,06,675	...		4,00,000	...		3,00,000	...	
Do. Do. 1921	34,07,950	...		6,00,000	...		4,00,000	...	
Do. Do. 1922	7,41,03,400	...		26,00,000	...		4,00,000	...	
Do. Do. 1923	8,00,500	...		1,40,00,000	...		15,00,000	...	
Do. Do. 1925	...	...		1,000	...		...	...	
Do. Do. 1928	...	...		32,000	...		...	...	
5 p. c. War Loan, 1929-47	54,39,500	...		45,00,000	...		45,00,000	...	
5 p. c. Loan, 1945-55	1,37,23,800	...		6,32,000	...		78,68,000	...	
4 p. c. Loans	2,31,67,300	...		2,72,00,000	...		22,00,000	...	
3½ p. c. Loans	3,076	...		3,000	...		...	...	
3 p. c. Loan	78,400	...		14,00,000	...		7,00,000	...	
Provincial Debenture Loans	200	...		...	...		...	...	
Total	12,19,30,801	...	12,19,30,801	5,13,68,000	...	5,13,68,000	1,78,68,000	...	1,78,68,000
Net			0			0			0
Floating Debt—									
Treasury Bills—									
Issued to Public	78,56,90,000	...		26,09,00,000	...		2,13,00,000	...	
Do. Paper Currency Reserve	57,89,00,000	...		55,25,00,000	...		55,25,00,000	...	
Other Floating Loans	...	...		5,00,00,000	...		...		
Total	1,36,45,90,000	...	1,36,45,90,000	86,34,00,000	...	86,34,00,000	57,38,00,000	...	57,38,00,000
Net			40,61,80,000			19,46,00,000			2,13,00,000
Unfunded Debt—									
Special Loans	30,387	...		30,000	...		30,000	...	
Deposits of Service Funds	15,21,881	1,35,973		15,29,000	3,00,000		15,40,000	20,000	
Post Office Cash Certificates	1,91,46,822	...		1,62,00,000	...		1,50,00,000	...	
Savings Bank Deposits	20,10,57,865	76,732		20,94,53,000	70,000		21,73,59,000	50,000	
Total	22,17,56,955	2,12,705	22,19,69,660	22,72,12,000	3,70,000	22,75,82,000	23,39,29,000	70,000	23,39,99,000
Net			0			0			0
Deposits and Advances—									
Deposits of Local Funds—									
District Funds	11,97,70,540	...		12,46,95,000	...		12,14,21,000	...	
Other Funds	7,87,78,969	...		8,20,04,000	...		8,22,71,000	...	
Deposits of Branch Line Companies	6,69,132	...		10,05,000	...		8,89,000	...	
Sinking Funds for Central Loans	1,70,22,478	...		47,00,000	...		1,14,94,000	...	
Gold Standard Reserve	...	1,47,88,73,193		...	1,19,54,21,000		...	1,10,74,06,000	
Paper Currency Reserve	8,16 02,454	24,19,85,356		...	43,25,37,000		...	45,98,58,000	
Departmental and Judicial Deposits	81,00,39,586	...		76,22,16,000	...		73,69 17,000		
Railway Revenue Surplus Account	...	...		...	...		1,00.00,000	...	
Advances	12,82,61,673	1,24,75,892		18,82,33,000	94,93,000		18,23,56,000	14,01,000	
Discount Sinking Fund	...	...		81,72,000	...		...	...	
Suspense Accounts	4,99,45,779	1,99,91,723		2,54,49,000	1,82,48,000		95,90,000	1,72,58,000	
Miscellaneous	96,09,352	71,69,186		...	1,96,48,000		...	77,06,000	
Total	1,29,56,99,763	1,76,04,95,350	3,05,61,95,113	1,19,64,74,000	1,67,53,47,000	2,87,18,21,000	1,15,49,38,000	1,59,36,29,000	2,74,85,67,000
Net			0			0			0
Carried over	4,17,39,61,686	2,17,09,72,419		3,48,31,28,000	2,10,13,83,000		3,29,03,89,000	2,21,35,79,000	

(a) Of this amount, R2,39,000 is non-voted and the balance of R29,97,61,000 is voted.
(b) The whole of this amount is voted.
(c) Of this amount, R4,03,000 is non-voted and the balance of R1,42,97,000 is voted.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1922-23.			Revised Estimate, 1923-24.			Budget Estimate, 1924-25.		
	India.	*England.	Total.	India.	*England.	Total.	India.	*England.	Total.
	R	R	R	R	R	R	R	R	R
Brought forward .	4,34,64,89,224	2,09,91,61,141		3,75,46,89,000	1,88,44,23,000		3,68,55,85,000	1,80,88,89,000	
Loans and Advances by the Central Government . . .	32,49,831	...	32,49,831	35,19,000	...	35,19,000	28,71,000	...	28,71,000
Net .			**20,42,338**			**20,44,000**			**6,70,000**
Loans between Central and Provincial Governments . .	1,17,68,164	...	1,17,68,164	98,35,000	...	98,35,000	1,20,63,000	...	1,20,63,000
Net .			**0**			**0**			**0**
Remittances—									
Remittances within India—									
Inland Money Orders .	83,46,21,008	...		85,00,00,000	...		86,00,00,000	...	
Other Local Remittances .	8,16,130	...		6,70,000	...		2,76,000	...	
Other Departmental Accounts . . .	4,38,401	...		5,03,89,000	...		5,01,21,000	...	
Net Receipts by Civil Treasuries from—									
Railways . . .	14,60,58,900	...		14,81,70,000	...		15,60,85,000		
Posts and Telegraphs .	...	...		4,31,16,000	...		...	...	
Net Receipts from Civil Treasuries by—									
Posts and Telegraphs .	2,44,87,728	...		...	...		4,62,000	...	
Marine . . .	1,06,67,970	...		59,85,000	...		59,90,000	...	
Army and Military Works . . .	49,33,06,251	...		45,22,31,000	...		40,94,91,000	...	
Remittances between England and India—									
Remittance Account—									
Iraq drawings . . .	2,500	2,69,82,066		...	2,42,70,000		...	2,00,00,000	
Sale of gold . . .	...	...		...	2,00,00,000		...	...	
Other transactions . .	7,87,49,313	6,98,01,117		1,39,74,000	5,16,80,000		50,74,000	3,02,30,000	
Remittances from India for financing Home Treasury	...	4,76,62,361		...	26,75,00,000		...	21,50,00,000	
Transfers through the Paper Currency Reserve . .	2,15,370	...		14,00,00,000	5,84,77,000		...	10,00,00,000	
Total .	1,58,93,63,571	14,34,45,544	1,73,28,09,115	1,70,45,35,000	42,19,27,000	2,12,64,62,000	1,48,74,99,000	36,52,30,000	1,85,27,29,000
Net .			**37,92,494**			**0**			**3,38,000**
Balances of Provincial Governments .	2,01,16,997	...	2,01,16,997	7,14,00,000	...	7,14,00,000	4,47,000	...	4,47,000
Net .			**6,34,730**			**5,05,37,000**			
Total Receipts . .	5,97,09,87,787	2,24,26,03,685 (a)		5,54,39,78,000	2,30,63,50,000 (b)		5,18,84,65,000	2,17,41,19,000 (b)	
Opening Balance . .	25,66,13,170	8,99,53,817		25,95,80,424	9,82,19,688		22,96,85,424	11,80,01,688	
GRAND TOTAL .	6,22,76,00,957	2,33,25 60,502		5,80,35,58,424	2,40,45,69,688		5,41,81,50,424	2,29,21,20,688	

* Sterling converted into Rupees at £1 = Rs. 10.

(a) Of this amount, Rs. 17,753 represents the funds of the Gold Standard Reserve.

(b) Of this amount, Rs. 36,584 represents the funds of the Gold Standard Reserve.

DELHI,
FINANCE DEPARTMENT,
The 29th February 1924.

M. F. GAUNTLETT,
Auditor General.

Central Government, in India and in England—*continued.*

	Accounts, 1922-23.			Revised Estimate, 1923-24.			Budget Estimate, 1924-25.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	R	R	R	R	R	R	R	R	R
Brought forward	4,17,39,61,686	2,17,09,72,419		3,48,61,28,000	2,10,13,83,000		3,29,03,89,000	2,21,35,79,000	
Loans and Advances by the Central Government	12,07,493	....	12,07,493	14,75,000	...	14,75,000	22,01,000	...	22,01,000
Net			0			0			0
Loans between Central and Provincial Governments	10,77,20,861	...	10,77,20,861	12,30,61,000	...	12,30,61,000	13,93,25,000	...	13,93,25,000
Net			9,59,52,697			11,32,26,000			12,72,62,000
Remittances—									
Remittances within India—									
Inland Money Orders	83,55,79,888			85,05,00,000	...		86,00,00,000	...	
Other Local Remittances	...			6,65,000	...		6,54,000	...	
Other Departmental Accounts	1,15,300			5,00,62,000	...		5,00,00,000	...	
Net Payments into Civil Treasuries by—									
Railways	13,65,33,804			15,51,70,000	...		15,60,85,000	...	
Posts and Telegraphs				4,31,16,000	...		...	...	
Net Issues from Civil Treasuries to									
Posts and Telegraphs	2,43,79,791			...	...		4,62,000	...	
Marine	1,06,58,347			59,85,000	...		59,90,000	...	
Army and Military Works	49,46,89,480			45,22,31,000	...		40,94,91,000	...	
Remittances between England and India—									
Remittance Account—									
Iraq drawings	2,63,85,360	...		2,42,70,000	...		2,00,00,000	...	
Sale of gold	...	...		2,00,00,000	...		...	...	
Other transactions	10,89,16,250	4,38,80,670		3,52,29,000	2,43,22,000		2,73,78,000	73,31,000	
Remittances from India for financing Home Treasury	4,76,62,361	...		26,75,00,000	...		21,50,00,000	...	
Transfers through the Paper Currency Reserve	2,09,912	5,458		5,84,77,000	14,00,00,000		10,00,00,000	...	
Total	1,68,51,30,493	4,38,86,128	1,72,90,16,621	1,96,82,09,000	16,43,22,000	2,12,75,31,000	1,84,50,60,000	73,31,000	1,85,23,91,000
Net			0			10,69,000			0
Balances of Provincial Governments	...	1,94,82,267	1,94,82,267	...	2,08,63,000	2,08,63,000	...	2,37,70,000	2,37,70,000
Net			0			0			2,33,23,000
Total Disbursements	5,96,80,20,533	2,23,43,40,814		5,57,38,73,000	2,28,65,68,000		5,27,69,75,000	2,24,46,80,000	
Closing Balance	25,95,80,424	(b) 9,82,19,688		22,96,85,424	(b) 11,80,01,688		14,11,75,424	(b) 4,74,40,688	
RAND TOTAL	6,22,76,00,957	2,33,25,60,502		5,80,35,58,424	2,40,45,69,688		5,41,81,50,424	2,29,21,20,688	

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

D.—Abstract Statement of the Receipts and Disbursements of the Central Government in India and in England.

REVENUE AND EXPENDITURE.		Accounts, 1922-23.				Revised Estimate, 1923-24.		Budget Estimate, 1924-25.	
		Revenue.	Expenditure.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
		R	R	R	R	R	R	R	R
Principal Heads of Revenue	Customs	41,34,65,362	70,62,000	40,64,03,362		39,69,60,000		44,18,26,000	
	Taxes on Income	17,99,41,150	44,56,136	17,54,85,014		18,42,47,000		17,56,78,000	
	Salt	6,82,46,112	1,51,36,147	5,31,09,965		7,27,62,000		9,09,27,000	
	Opium	3,78,92,068	1,86,60,643	1,92,31,425		1,72,21,000		2,24,52,000	
	Other heads	2,34,00,268	68,90,054	1,65,10,214		2,11,34,000		1,70,05,000	
	Total	72,29,44,960	5,22,04,980	67,07,39,980	...	69,23,24,000	...	74,78,88,000	...
Commercial Services	Railways	26,82,98,476	25,60,99,247	1,21,99,229	...	6,28,00,000	...	4,27,30,000	...
	Irrigation	10,90,752	13,75,391	...	2,84,639	...	5,31,000	...	10,38,000
	Posts and Telegraphs	1,22,29,448	76,98,536	45,30,912	...	72,32,000	...	1,18,41,000	...
Debt Services	Interest	1,15,70,696	16,15,89,540	...	15,00,18,844	...	13,50,63,000	...	14,97,90,000
Civil Administration	Civil Administration	44,34,528	9,94,32,040	...	9,49,97,512	...	8,89,61,000	...	9,08,35,000
Currency, Mint and Exchange	Currency	3,35,08,720	87,14,206	2,47,94,514	...	2,04,05,000	...	2,85,93,000	...
	Mint	26,94,411	15,95,525	10,98,886	...	...	1,69,000	62,000	...
Civil Works	Civil Works	14,38,067	1,34,81,040	...	1,20,42,973	...	1,47,92,000	...	1,94,14,000
Miscellaneous Civil Services	Famine Relief	...	80,651	...	80,651	...	12,000	...	14,000
	Superannuation	28,50,509	3,60,44,468	...	3,31,93,959	...	2,83,91,000	...	2,74,10,000
	Miscellaneous	16,76,985	68,02,072	...	51,25,087	2,09,83,000	...	...	74,50,000
	Other Heads	17,19,131	91,28,897	...	74,09,766	...	82,49,000	...	72,51,000
Military Services	Army—Effective	4,49,71,920	55,35,72,656	...	50,86,00,736	...	46,29,45,000	...	46,60,31,000
	Army—Non-effective	34,00,973	9,34,87,494	...	9,00,86,521	...	9,00,46,000	...	8,88,41,000
	Marine	32,72,538	1,39,98,618	...	1,07,26,080	...	68,66,000	...	76,76,000
	Military works	57,33,434	4,90,00,187	...	4,32,66,753	...	3,75,62,000	...	3,99,52,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments		9,22,93,608	...	9,22,93,608	...	9,04,50,000	...	7,49,46,000	...
	Total	1,21,41,29,156	1,36,43,05,548	80,56,57,129	95,58,33,521	89,41,94,000	87,35,87,000	90,60,60,000	90,57,02,000
	Surplus			...		2,06,07,000		3,58,000	
	Deficit			15,01,76,392		...		...	
Capital Account	Surplus			...	...	2,06,07,000	...	3,58,000	...
	Deficit			...	15,01,76,392	...	...	...	...
	Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue:—								
	Capital contributed by Railway Companies and Indian States towards construction of State Railways			28,26,557	...	...	...	80,24,000	...
	Construction of Irrigation Works			...	2,25,219	...	7,000	...	...
	Construction of State Railways			...	18,43,42,305	...	23,60,64,000	...	30,00,00,000
	Capital outlay on Indian Postal and Telegraph Department			...	65,62,006	...	96,65,000	...	1,73,95,000
	Initial expenditure on new Capital at Delhi			...	1,84,79,432	...	1,82,00,000	...	1,47,00,000
	Payments for discharge of Debentures			...	63,34,021	...	1,04,07,000	...	1,44,86,000
	Redemption of Liabilities involved in the purchase of Railways			...	...	...	...	...	27,07,03,000
Debt, Deposits, Advances and Remittances	Permanent Debt (net)			66,22,99,053	...	37,11,64,000	...	36,95,87,000	...
	Floating Debt (net)			...	40,61,80,000	...	19,46,00,000	...	2,13,00,000
	Unfunded Debt (net)			2,96,51,483	...	10,74,36,000	...	7,51,45,000	...
	Loans and Advances by Central Government (net)			20,42,338	...	20,44,000	...	6,70,000	...
	Loans between Central and Provincial Governments (net)			...	9,59,52,697	...	11,32,26,000	...	12,72,62,000
	Deposits and Advances (net)			17,82,38,542	....	2,13,37,000	...	17,59,76,000	...
	Remittances (net)			37,92,494	...	...	10,69,000	3,38,000	...
	Balances of Provincial Governments (net)			6,34,730	...	5,05,37,000	...	..	2,33,23,000
Cash Balance	Opening Balance			34,65,66,987	...	35,78,00,112	...	34,76,87,112	...
	Closing Balance			...	35,78,00,112	...	34,76,87,112	...	18,86,16,111
	Total			1,22,60,52,184	1,22,60,52,184	93,09,25,112	93,09,25,112	97,77,85,112	97,77,85,111

M. F. GAUNTLETT,
Auditor General.

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT,
The 29th February 1924.

THE INDIAN FINANCE BILL.

INTRODUCED IN THE LEGISLATIVE ASSEMBLY ON THE 1ST MARCH 1924.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894; to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax; It is hereby enacted as follows:— VIII of 1894. VI of 1898. X of 1923.

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1924.

(*2*) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(*3*) Sections 2 and 4 shall remain in force only up to the 31st day of March, 1925.

Fixation of salt duty.

2. (*1*) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the 1st day of March, 1924, they imposed such duty at the rate of two rupees per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section. XII of 1882.

(*2*) With effect from the first day of March, 1924, section 2 of the Indian Finance Act, 1923, is hereby repealed.

Amendment of Act VIII of 1894.

3. With effect from the first day of March, 1924, the amendments specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, 1894. VIII of 1894.

Postal rates.

4. With effect from the first day of April, 1924, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act. VI of 1898.

5. With effect from the first day of March, 1924, the following amendments shall be made in the Motor Spirit (Duties) Act, 1917, namely:— II of 1917.

(*a*) in sub-section (*1*) of section 3, for the words "six annas" the words "four annas and six pies" shall be substituted;

(*b*) section 6 shall be omitted.

Amendment of Act X of 1923.

6. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1924." the figures "1925" shall be substituted. X of 1923.

Income-tax and super-tax.

7. (*1*) Income-tax for the year beginning on the first day of April, 1924, shall be charged at the rates specified in Part I of the Third Schedule.

(*2*) The rates of super-tax for the year beginning on the first day of April, 1924, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule. XI of 1922.

(*3*) For the purposes of the Third Schedule, "total income" means total income as defined in clause (*15*) of section 2 of the Indian Income-tax Act, 1922. XI of 1922.

It is hereby declared that it is expedient in the public interest that the provisions of clauses 2, 3 and 5 of this Bill should have temporary effect under the provisions of the Provisional Collection of Taxes Act, 1918. XVI of 1918.

SCHEDULE I.

Amendments to be made in Schedule II to the Indian Tariff Act, 1894.

[*See section 3.*]

1. After Item No. 1 the following Item shall be inserted, namely :—

"1A	GRAIN and PULSE, all sorts, including broken grains and pulse, but excluding flour (*see* No. 68)."	

2. In Item No. 40, the words "and MOTOR SPIRIT", where they first occur in the entry in the second column, and the NOTE to that entry shall be omitted.

3. After Item No. 40 the following Item shall be inserted, namely :—

"40A	MOTOR SPIRIT .	Imperial gallon . .	Four annas and six pies."

4. After Item No 46 the following Items shall be inserted, namely :—

"46A	Undipped SPLINTS such as are ordinarily used for match making.	Pound	Four annas and six pies.
46B	VENEERS such as are ordinarily used for making match boxes, including boxes and parts of boxes made of such veneers.	Pound	Six annas."

5. Item No. 47 and the heading thereto shall be omitted.

6. In Item No. 51, after the figures "15, 16" the figures and letter "51B" shall be inserted.

7. After Item No. 51A the following Item shall be inserted, namely :—

"51B	BOBBINS, HEALDS, HEALD CORDS, HEALD KNITTING NEEDLES, and SHUTTLES,"	

8. In Item No. 96, for the word and figures "and 18" the figures and word "18 and 51B" shall be substituted.

9. After Item No. 121 the following Item shall be inserted, namely :—

"121A	GOLD THREAD, SILVER THREAD and LAMETTA, including imitation gold and silver thread and imitation lametta."	

10. In Item No. 132, the words "gold thread and wire" shall be omitted and after the words "all sorts" the following shall be added, namely :—

"but not including gold thread or lametta or imitation gold thread or lametta (*see* No. 121A)."

11. In Item No. 133, the words "silver thread and wire" shall be omitted and after the words "all sorts" the following shall be added, namely :—

"but not including silver thread or lametta or imitation silver thread or lametta (*see* No. 121A)."

SCHEDULE II.

Schedule to be inserted in the Indian Post Office Act, 1898.

[*See section 4.*]

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

[*See section 7.*]

Letters.

For a weight not exceeding two and a half tolas	One anna.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas	One anna.

Postcards.

Single	Half an anna.
Reply	One anna.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof	Half an anna.

Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas	Four annas"

SCHEDULE III.

[*See section 7.*]

PART I.

Rates of Income-tax.

	Rate.
A. In the case of every individual, every unregistered firm and every undivided Hindu family—	
(1) When the total income is less than Rs. 2,000	*Nil.*
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000	Five pies in the rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000	Six pies in the rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs 2 ,000	Nine pies in the rupee.
(5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000	One anna in the rupee.
(6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000	One anna and three pies in the rupee.
(7) When the total income is Rs. 40,000 or upwards	One anna and six pies in the rupee.
B. In the case of every company, and every registered firm, whatever its total income	One anna and six pies in the rupee.

PART II.

Rates of Super-tax.

	Rate.
In respect of the excess over fifty thousand rupees of total income:—	
(1) In the case of every company	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first twenty-five thousand rupees of the excess	*Nil.*
(*ii*) for every rupee of the next twenty-five thousand rupees of such excess	One anna in the rupee.
(*b*) in the case of every individual and every unregistered firm, for every rupee of the first fifty thousand rupees of such excess.	One anna in the rupee.
(*c*) in the case of every individual, every unregistered firm and every Hindu undivided family—	
(*i*) for every rupee of the second fifty thousand rupees of such excess	One and a half annas in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess	Two annas in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess	Two and a half annas in the rupee.
(*iv*) for every rupee of the next fifty thousand rupees of such excess	Three annas in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess	Three and a half annas in the rupee.
(*vi*) for every rupee of the next fifty thousand rupees of such excess	Four annas in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess	Four and a half annas in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess	Five annas in the rupee.
(*ix*) for every rupee of the next fifty thousand rupees of such excess	Five and a half annas in the rupee.
(*x*) for every rupee of the remainder of the excess	Six annas in the rupee.

STATEMENT OF OBJECTS AND REASONS.

1. The object of this Bill is to fix the salt duty at R2 a maund as explained in my speech introducing the Budget for 1924-25 and to continue certain provisions of the Indian Finance Act, 1923, which would otherwise cease to have effect from the 1st April 1924.

2. Clause 2 of the Bill provides for the levy of the duty on salt at R2 per maund.

3. Clauses 3 and 5 give effect to certain minor amendments which it is proposed to make in the Tariff. The changes are not important from the revenue point of view and are as follows :—

(*i*) The 2½ per cent. import duty on grain and pulse is removed in accordance with the recommendation of the Fiscal Commission. Import of these articles is negligible in normal times and the duty is suspended in times of scarcity. It has been in suspense since January 1921.

(*ii*) At present motor spirit produced in India is subject to an excise of six annas a gallon and imported motor spirit to an import duty of 8½ annas a gallon. Imports are extremely small and in order to cheapen motor spirit, it is proposed to reduce the excise duty to 4½ annas a gallon and to levy customs duty on imported motor spirit at the same rate, *viz.*, 4½ annas a gallon.

(*iii*) With a view to evade the high duties at present levied on imported matches, the practice of importing empty boxes and splints and of dipping splints in India has extended. In order to protect revenue, it is proposed to levy specific duties on these component parts.

(*iv*) Certain articles such as bobbins, healds, etc., can be used as component parts either of power looms or handlooms and are therefore assessable to duty under the higher rate, *i e.*, as component parts of handlooms. Their chief use, however, is in power looms. It is proposed to amend the schedule so as to make it clear that the duty to be levied on these articles is the same as that on other component parts of power machinery, namely 2½ per cent.

(*v*) The assessment of duty on gold thread, etc, under the existing schedule has given rise to administrative difficulties, thread with any trace of gold having hitherto been assessed at 30 per cent., instead of at the general rate of 15 per cent. There is also reason to believe that the difference in rates of duty is stimulating the trade in imitation gold and silver thread and lametta at the expense of gold and silver thread proper. It is proposed to make the duties on gold and silver thread and lametta uniform at 15 per cent.

4. Clauses 4 and 7 provide for the continuance of the rates of postage, income-tax and super-tax prescribed by the Indian Finance Act of 1923, while clause 6 provides for the credit to revenue for a further period of one year, *i e.*, till the 31st March 1925, of interest on securities forming part of the Paper Currency Reserve.

5. The changes mentioned in paragraphs 2 and 3 are intended to come into effect from the 1st March 1924 ; the rest from April 1st. The provisions other than those mentioned in paragraph 3 will have effect till the 31st March 1925.

BASIL P. BLACKETT.

The 29th February, 1924.

Speech of the Finance Secretary in the Council of State on the 29th February 1924.

THE HONOURABLE MR. A. C. McWATTERS (Finance Secretary): Sir, I rise to present a statement of the estimated revenue and expenditure of the Governor General in Council for the year 1924-25. At the conclusion of my remarks, copies of this statement and other connected papers will be circulated to all Members of this House, together with copies of the speech which the Honourable the Finance Member is now making in the other House. I shall therefore confine myself to a concise statement and explanation of the more important facts and figures which will be of interest to Honourable Members. On Monday last I had an opportunity of explaining the reasons which have led the Government to present the Budget Statement at this somewhat unusual hour. If it has caused any inconvenience to Honourable Members, I know they will recognise that the change has been made in the interests of the commercial public and in the interests of our officers at the Custom Houses.

Before I proceed to my main subject, I should like to refer, very briefly, to the final outturn for the year 1922-23, the year which ended on the 31st of March last. When we prepared the revised estimates for that year, 12 months ago, we estimated that there would be a deficit of Rs. 17¼ crores. The final accounts have now been prepared, and we find the actual deficit is 15 crores 2 lakhs. This difference of 2¼ crores is due mainly to savings in military expenditure, and, in particular, to the non-utilization of a sum of £800,000 which had been provided for India's share in the cost of demobilising surplus troops. I mention this saving of 2¼ crores particularly because, in the present year, as the House will shortly learn, the difference between our revised estimate and the actuals when known, may be a matter of considerable importance, as it is a question between having a budget which balances and a small deficit. The House will remember that the Budget estimate for 1923-24, the current year, as finally fixed, provided for a surplus of 81 lakhs. The revenue was estimated at 134 crores, 90 lakhs and the expenditure at 134 crores, 9 lakhs. We now estimate that our revenue will be worse by 5 crores, 38 lakhs. Our expenditure, on the other hand will be less by 4 crores, 19 lakhs. The net result is that instead of a surplus of 81 lakhs, we estimate, on our ordinary revenue and expenditure, a deficit of 38 lakhs. We hope that that deficit may even now be removed when the final figures are before us. I said advisedly our *ordinary* revenue and *ordinary* expenditure because this estimate does not take account of a very large credit from an extraordinary windfall to which I will return later on.

This estimated deficit of 38 lakhs is perhaps less than may have been anticipated by those who may have considered merely the published returns of our large revenue-earning departments. There is no doubt that our revenue estimates were on the optimistic side. It is true they were not based on an expectation of a boom in trade, but they provided for a steady revival. That revival has been slower than we hoped, I think mainly through causes external to India. In India we have had a good monsoon, we have had on the whole good prices for most of our staple products, and with the one notable exception of the cotton mill industry in Bombay, there are distinct signs of improvement. I would like to point for a moment to the figures of the balance of trade. For the 10 months ending 31st of January last, the balance of trade, including imports of bullion, has been in favour of India to the extent of 63 crores 42 lakhs. In the preceding year it was in favour of India by 20½ crores only, and the year before that there was an adverse balance of 33 crores. I think the House will recognise that this is an important change in the right direction, especially for a country like India which has large external liabilities, and which depends on foreign markets for disposing of its surplus products. It also is most useful, as the House will realise, for the support of our currency system to have a favourable trade balance.

I will now give the House a very few details of the revenue and expenditure of the current year.

Under Customs we budgeted for a net figure of 45 crores, 10 lakhs. We expect to receive only 40 crores, 42 lakhs. That is 4 crores 68 lakhs less than the estimate. I may explain however that 50 lakhs of this is due to a decision of the Bombay High Court under which stores imported by company railways have been treated as Government stores and have therefore been exempted from payment of customs duty. Against this decision the Government of India have appealed to the Privy Council. If that decision is in our favour, we shall obtain a refund of 50 lakhs. If, on the other hand, it goes against us, we shall have to provide for refunds of about two crores to the railways. It represents the duty which they

have paid under protest from the time when this question was first contested in the Courts.

Our estimates under sugar have been less by 1 crore 15 lakhs, and I think that here we must admit that we did not take sufficient account of the reduced tariff valuation of sugar which came into force at the beginning of January 1923. Under other items the falling off has been due almost entirely to the fall in prices which has adversely affected our *ad valorem* duties. In this way under piece-goods we shall lose 73 lakhs; under metals 58, under cutlery and hardware 35, and the cotton excise duty will be less by 38 lakhs in view of the depression of the Bombay mill industry.

Next as to Salt. We budgeted for a revenue of 11¾ crores, of which 4½ crores was estimated to be a result of the doubling of the duty. The House is well aware of the circumstances and the history of this tax. There are two circumstances which have led to our not obtaining the full amount of duty which we expected. The first is that in January and February 1923 the salt merchants took out in advance large quantities of salt in anticipation of an increase of duty on the 1st of March. We estimate that the amount so taken out beyond the ordinary requirements for consumption was 36 lakhs of maunds. In the second place, throughout the year and more especially in the later months, the salt dealers have allowed stocks in the country to run down to a minimum, no doubt in expectation of a reduction in the duty. The net result has been that the actual amount of salt issued is expected to be 380 lakhs of maunds against a normal annual consumption of 495 lakhs, and the total amount which we expect to obtain from the duty will be 8¾ crores—that is, 3 crores below the estimate.

As regards Railways, we estimated gross receipts of 95.57 crores. During the early part of the year the returns were unsatisfactory and later on there were breaches on some of the more important lines, but the returns recently have been much more satisfactory and we expect to receive in gross receipts altogether 94·22 crores—which is 1⅓ crores below the estimate. On the other hand, we have been able to effect savings in working expenses and there has been a reduction in the expenditure on Programme Revenue both of which combined will result in a saving of 1·93 crores. The net result is that from Railways we expect to receive a net return of 58 lakhs more than we had estimated. I need not trouble the House with many other items. Under Income Tax we expect to get our full return of 19 crores; from Opium 38 lakhs more than in the estimate; Posts and Telegraphs will be short by 22 lakhs. There remains one big item under "Interest, Currency and Miscellaneous." We expect under these heads to be better by 1·42 crores. This is due to the fact that the interest yield on short term money in London has been better, and we have, owing to favourable opportunities for remittance, invested larger sums in sterling securities in London. Included in the figure which I have quoted is an item of 37 lakhs which is the profit from our recent sale of gold.

On the Expenditure side we have to provide an extra item of 70 lakhs under Opium. In July last we obtained from the Assembly a supplementary grant of 77 lakhs on account of the increased outturn of the opium crop in Central India and the United Provinces. Only 70 lakhs of this will be spent. Under Interest Charges we effect a saving of 74 lakhs. This is an important item. It has mainly been due to the fact that we have been able to reduce the Budget provision for discount on Treasury Bills. Two years ago on the 31st March 1922 the amount of floating debt in the shape of Treasury Bills held by the public was no less than 54 crores. A year ago it was 22 crores. On the 31st March next we estimate that the figures will be 2 crores only. Speaking as one who for more than the last three years has been somewhat intimately connected with the handling of our daily balances, I can testify to the relief which the removal of this incubus has given to the Government, and I feel sure that the commercial public will also be relieved since the exigencies of our short term borrowings have from time to time caused considerable dislocation to the market. Under Sinking Funds we shall not utilize the additional provision of 80 lakhs for the depreciation fund of our 5 per cent. loans, since these loans have for the greater part of the year remained above their issue price. Under other heads of civil expenditure, which were already much reduced as a result of the Inchcape Committee's recommendations, we hope to effect a further saving of 50 lakhs.

I will next refer to Military Expenditure. In the Budget we provided for gross military expenditure of 65 crores and 5 lakhs, and net military expenditure of 62 crores. The House will be aware that the full reductions have been made in combatant troops as recommended by the Inchcape Committee with the exception of one Cavalry regiment, but the resulting economies from these reductions cannot take effect fully until next year. His Excellency the Commander-in-Chief has, however, been able by means of other economies to effect a more than corresponding reduction. The established charges for military services during the current year are now

estimated at 60¼ crores as compared with the figure of 61 crores and 94 lakhs which was taken in the Budget. The Inchcape Committee also recommended that by the consumption and disposal of excess military stores a non-recurring saving of 2½ crores could be effected in the current year. The actual saving effected in this way amounts to 3 crores. There is also a further credit of an extraordinary character which comes into the current year, amounting to 41 lakhs, from the sale of certain temporary military buildings. On the other hand, the expenditure on Waziristan is estimated to be 2 crores against 1 crore and 69 lakhs taken in the Budget, and the expenditure on gratuities to demobilised officers will be 1½ crores against a provision of 62 lakhs. There is also a saving in exchange amounting to 46 lakhs. The net result is that the net military budget will be 59 74 crores, which represents a saving on our Budget Estimate of 226 lakhs.

Finally, with regard to Exchange, we budgeted for a figure of 1*s*. 4*d*. As the House is aware, exchange has been above 1*s*. 4*d*. during practically the whole of the year, and during recent months has been in the neighbourhood of 1*s*. 5*d*. On the year as a whole we shall obtain an average rate of 1*s*. 4½*d*. The saving in our expenditure on this account, including railways and commercial services, will be 1·28 crores. The net result is, as I have said, that our revenue will be worse by 5 crores 38 lakhs, our expenditure will be better by 4 crores 19 lakhs, and we expect at present, though we hope it may eventually be removed, a deficit of 38 lakhs.

And this brings me to the windfall. This windfall arises from the credit to India of the profits earned from the control of enemy ships and certain minor items of a similar character. All claims have not yet been settled and a few minor items are outstanding, but we are now assured of a credit to Indian revenues of the large sum of £3¼ million sterling which amounts to 4 crores 73 lakhs. In answer to a question in the House a few days ago I explained that this windfall did not represent any actual cash received during the current year. It is money which has merged in the balances of the Secretary of State and the High Commissioner for India and which has been utilised by them for their ordinary expenditure, thereby reducing our borrowings. It is obviously incorrect that an extraordinary item of this kind should be taken to meet any of our ordinary recurring expenditure, but there are just two special items to which I wish to refer. The first is that, following British precedent and in anticipation of any sums which may become available from Reparations, we propose to set aside next year a sum of 25 lakhs as compensation to private individuals who have suffered from enemy action. We do not consider that this would be a fair charge on our ordinary revenues, and we therefore propose to earmark 25 lakhs of this extraordinary windfall for this purpose. Secondly, there is the sum of 2 crores which, as I have already explained, we may have to pay as refunds to company railways in the event of the appeal to the Privy Council going against us. We propose for the present to hold in suspense 2 crores out of the windfall to meet this refund in case it should come due. The remainder of the windfall, which amounts to 244 lakhs, will come as a credit in the accounts of the current year which, including this credit, should show a surplus of 206 lakhs.

Before I proceed to the Budget for 1924-25, there are one or two matters of general interest to which I wish to refer. The first is the question of the separation of the railway budget from the general budget. As the House is aware a Resolution on this subject has been tabled by the Honourable the Commerce Member in the Legislative Assembly, and copies of a memorandum on the subject have been circulated to all Members of both Houses. I should only like to say that Government consider this change as one of the first importance both in the interests of general finance and in the interests of the railways. The railways will be enabled to conduct their business untrammelled by the limitations of our budget system and general finance will be able to count on an assured reasonable return from the railways unaffected by any of the vagaries of railway working. I need not tell the House in detail the arrangement which it is proposed to make; but briefly it is this, that general revenues will receive from railways first, a sum sufficient to pay interest on the capital invested in commercial lines; secondly, an additional sum of five-sixths of one per cent. on that capital; and thirdly, one-fifth of any surplus which the railways may earn. Among the papers which will be circulated at the close of my speech will be found a statement which shows how the railway contribution is arrived at for the year 1924-25, on the basis of this new arrangement and also, a comparison showing what the contribution to general revenues would be on the old basis. Briefly, the position is this, that under the new system general revenues will receive 427 lakhs; under the old system they would have received 416 lakhs. But I should add that this latter result is only arrived at by a device of spreading over ten years a payment of 3 crores which is really due now, in order to write down to their proper value certain railway stores, the legacy of the war, which are either obsolete or standing above

their proper value. If the railway budget is separated, the railways will be able to build up reserves out of which they will, like any other commercial concern, be able to write down the value of these surplus stores; but otherwise the obligation falls on general revenues and it is impossible in our present financial condition to find a sum of 3 crores in one year for this purpose. For this reason, we have had to resort, or rather may have to resort, to the somewhat unsatisfactory device in the event of non-separation.

Another subject to which I wish to refer very briefly is the provision for avoidance or redemption of our debt. Hitherto, all the items which partake of this character have been scattered over different portions of the budget; and the result has been that their adequacy has never been sufficiently emphasised or recognised. We propose for the first time to bring together in one place all these items. Taking the figures for the current year, we have first the depreciation fund for our 5 per cent. loans; this, as the House knows, is a sum equal to 1½ per cent. of the face value of the loans issued; that amounts to 74 lakhs. Then there is the additional provision of 80 lakhs which we have set aside for the same purpose during the last two or three years. Besides this, we have the annual instalment of the principal of India's war contribution amounting to £442,900 and the capital portion of the Railway Annuities and sinking funds which amounts to another £1,544,300. The total of these items converted at 1*s.* 4*d.* is 452 lakhs, or, if we omit the 80 lakhs additional provision which has not been utilised this year and allow for exchange, 363 lakhs. In the coming year the figures will be slightly different. The figures will be 465 lakhs or, omitting the provision of 80 lakhs, it will be 385 lakhs.

Now, in the course of the year the Government have examined this question in relation to the total amount of our debt and the different classes of that debt. They have applied to those different classes different criteria—to productive debt applying a certain period in which it should be redeemed, another period for unproductive debts on account of deficits, another period for the unproductive debt for Delhi; and the result of that examination has shown that the amount which is required under any reasonable criteria would not exceed roughly 4 crores, which is practically the same as the figure of our obligatory payments. This indicates that it is unnecessary for us to continue in the next year the additional provision of 80 lakhs for the depreciation fund for our 5 per cent. loans, a conclusion which we have arrived at independently from a consideration of the circumstances of the present year, when the loans have been standing for the greater part of the year well above their issue price.

There is just one other matter before I proceed to the Budget, the question of customs duty on Government stores. The House is aware that a Bill has been introduced in the Legislative Assembly to rescind the proviso to section 20 of the Sea Customs Act, which exempts Government stores from customs duty. The object of this Bill is to remove a disability under which Indian industries suffer from the fact that our purchasing departments do not always take into account fully the customs duty in comparing the prices of stores ordered in England with stores purchased in India. But I propose to look at the question solely this evening from the point of view of the budget; and the effect on our budget will be this, that we shall receive an additional customs duty of 163 lakhs; on the other hand, we shall have to add to the expenditure of our different departments 53 lakhs, 25 of which is under military and 22 by way of assignments to Provincial Governments who will be required to pay duty on their imported stores. Of the remainder, 90 lakhs relates to stores imported by company railways, who, as a result of this Bill, will be placed in exactly the same position as they were before the Bombay High Court decision. Of the remaining 20 lakhs, 11 lakhs is for stores imported by State Railways on capital account; Government have thought it right to set aside as a special contribution from revenue to capital account a sum of 11 lakhs in order to avoid the inflation of railway capital for the benefit of revenue. With regard to company railways they do not propose to make this alteration at present, as we shall merely be restoring the previous position in respect of company-managed lines, but they will give this matter their further consideration.

There is still one other item before I come to the budget, that is the question of what rate of exchange we should take for next year. This matter is one of very considerable difficulty and Government must disclaim any intention to prophesy; during the current year we budgeted for 1*s.* 4*d.* and we have obtained 1*s.* 4⅛*d.* Our sterling position is undoubtedly strong, and on the whole, again I emphasise without any intention to prophesy, Government consider it reasonable to take a figure slightly in excess of the present year's average. I may say that every farthing makes a difference of 44 lakhs in our expenditure (excluding Railways). The Budget for 1924-25, therefore, will assume a rate of exchange at 1*s.* 4⅛*d.*

I now come to the Budget for 1924-25, and I do not propose to keep the House in suspense. I will tell them first the general result. The general result is that, if taxation remains unchanged, that is assuming for the moment that the salt tax remains at Rs. 2-8-0, we estimate that there will be a surplus of 3 crores 36 lakhs. If, however, the salt tax is reduced to Rs. 1-4-0, that surplus will be practically wiped out and we shall be left with a nominal surplus of 4 lakhs. If the salt tax were taken at Rs. 2-0-0 we should have a surplus of 1 crore 54 lakhs.

I will now give the House a very few details of our estimated expenditure and revenue before returning to this question of the surplus. First as to military expenditure, the gross military expenditure for next year is estimated at 63 crores and the net military expenditure at 60¼ crores, allowing for a saving in exchange of 68 lakhs. The figures which I will mention now are quoted at 1*s.* 4*d.* for purposes of comparison. The established charges for military services have been reduced in the military Budget to 59 crores, which includes 25 lakhs for customs duty on military stores. This figure of 59 crores—I should say 58¾ crores—should be compared with the figure entered in the last year's Budget of 61 crores 94 lakhs and with our revised estimate of 60¼ crores. There is one figure also with which I should like to compare it, and that is the figure for established military charges recommended for the current year's budget by the Inchcape Committee. That figure is 59 crores 38 lakhs, so that the established military charges are already considerably below the Inchcape figure. It must be recognised of course that in the Budget for next year we cannot obtain the non-recurring saving of 3 crores from the consumption of excess stores, nor can we get the 41 lakhs from the sale of temporary buildings. We have also a charge of 30 lakhs for roads and buildings in Waziristan, and 1 crore and 63 lakhs for gratuities to demobilised officers. The net result is, as I have said, that the Military Budget, allowing for Exchange, will stand at 60¼ crores.

On the civil side we have given effect to practically all the Inchcape Committee's recommendations. We have allowed for the first time an item of 20 lakhs for new Civil works. For several years past we have made no provision whatever for new Civil works, but now we consider that the revenue position justifies our making a small beginning, as there are a large number of important and beneficial works which had been held up through lack of funds.

On the revenue side, we are taking the customs revenue at 45 crores 2 lakhs, which is 8 lakhs less than last year, but which includes the figure of one crore 63 lakhs from customs duty on Government stores. We have also taken into account the fact that the tariff valuation of sugar has been increased from the 1st January last; on other items we have only provided for a small increase over the amounts received in the current year. Under taxes on income we have had to write down the figure for the current year by about 85 lakhs. This is due entirely to the depression in the Bombay mill industry. The figure we have taken is, therefore, 18 crores 22 lakhs. The working of the Post and Telegraph Department will, we estimate, result in a net profit of 24 lakhs and in the detailed estimates will be found an attempt at a Profit and Loss Account which arrives at this result. We also propose to continue for another year the provision for credit to general revenues of the interest on the investments in the Paper Currency Reserve and the excess of the Gold Standard Reserve over £40 millions, which we consider is required by our present revenue position and is justified by the strength of our Reserves.

I think that those are all the detailed figures which will be of special interest to the House except Salt. The salt revenue is particularly difficult to estimate this year for three reasons: first, because stocks have been run down to a minimum; secondly, because the rate at which those stocks will be replenished depends on the rate of duty which may be taken. The lower the rate of duty the faster will be the rate of replenishment, and, if the duty is reduced to Rs. 1-4-0 we expect the rate of replenishment will be very rapid. Thirdly, there is the effect of our credit system under which large quantities of salt pay duty at a rate in force 6 months before. The net result, so far as we can estimate it, is that, if the salt duty remains at Rs. 2-8-0, we shall obtain a revenue of 12 crores 37 lakhs. If it were reduced to Rs. 2-0-0 we should obtain 10 crores 55 lakhs, and if it were reduced to Rs. 1-4-0 we should obtain 9 crores 5 lakhs. But I would point out that of this 9 crores 5 lakhs, no less than 2 crores 16 lakhs will be non-recurring owing to the fact that we expect a large replenishment of stocks over and above a normal year's consumption and also owing to the operation of our credit system, under which a large amount of salt will be paying duty at Rs. 2-8-0. What rate of duty, then, is Government going to recommend? As I say, if a rate of Rs. 1-4-0 is taken, it means that in the next year we shall have to make up a sum of 2 crores 16 lakhs before we can arrive at a surplus. I ask the House to consider what chances in these circumstances there would be of any remission of the provincial contributions not only in the next year but in the following year too if the salt

duty is reduced to Rs. 1-4-0. Then as to the rate of Rs. 2-8-0, this rate was introduced owing to the paramount necessity of balancing the Budget. Government recognise that it was a rate of duty which was not accepted by the Assembly. There remains the middle course, to take the salt duty at Rs. 2-0-0. After most careful consideration, and after consultation with, and with the full approval of, the Secretary of State, the Government of India recommend that the salt duty should be reduced to Rs. 2-0-0. This would leave a surplus of 1 crore 54 lakhs, and if this recommendation is accepted by the House, the Government's further recommendation is that 1½ crores of this surplus should be devoted to the reduction of provincial contributions. From this Madras will receive in round figures 80 lakhs, the Punjab 38, the U. P. 30 and Burma 2 lakhs.

In the Finance Bill which will shortly be in the hands of Honourable Members they will find no new proposals for taxation. There are however two items which are worth mentioning. One is that the import duty on motor spirit is being reduced to 4½ annas a gallon, and it is proposed also to reduce the excise on petrol to the same figure. We hope that the increase in consumption which should result will prevent us from suffering any loss in revenue from this source. The other proposal is, in order to safeguard our customs revenue from matches, to put a specific duty on imported splints which are used for match making and also on imported match boxes.

Before I conclude, Sir, I should like just to say a few words about our Ways and Means. The House will recognise that this is in some respects the most important part of the Budget. It does in fact disclose the consequences of our revenue and expenditure position. During the current year we have met sums of 23½ crores for railway capital expenditure, 3 crores roughly for Delhi and Irrigation, and Posts and Telegraphs. We have redeemed 5 crores of our funded debt. We have lent to Local Governments 11⅓ crores, and we have extinguished 19½ crores of Treasury Bills. We have accomplished this mainly by raising a rupee loan of 23 crores and a sterling loan of £18 millions, and we have been considerably helped also by returns from Cash Certificates and deposits in the Post Office Savings Bank. With regard to our remittances to England, we have introduced a new system by which the sales of Council Bills are supplemented by purchases of sterling in India through the Imperial Bank, and I think that the remittances which we have sent of £26¾ millions, have in this way been made with less disturbance to the exchange market than would otherwise have been the case. We have also during the recent busy season remitted a sum of Rs. 12 crores to London against the issue of paper currency out here in order to relieve money stringency, and we start the year with £14 millions in our sterling reserves in England. With regard to next year we have no funded debt to meet, and we shall have on the 31st of March very large balances. We have made full provision for a Railway programme of 30 crores and 3 crores for Delhi, irrigation and Post and Telegraph Capital outlay; we have provided for wiping out the remaining 2 crores of Treasury Bills, and for lending to Local Governments 13¾ crores, which is all that they have asked for. We have not taken into account any large receipts from Cash Certificates as it will probably be necessary to reduce their yield shortly in view of the better rates we are obtaining for our loans. We count on being able to meet all these obligations without further sales of Treasury Bills, without any sterling borrowing and by raising a rupee loan of not more than 20 crores.

I hope that the House will agree that this record of our revenue and expenditure and of our Ways and Means is not altogether unsatisfactory. It is true that we have in the not distant future to face very large payments of our short term bonds and we have still large obligations to the Provinces. We are still crediting to revenue the interest on our Paper Currency investments. We have still arrears of useful expenditure which has been held up. There is no case for relaxing effort; but I think that we may fairly claim now that we have turned the corner, and that we have passed for ever the era of unbalanced budgets. Finally, I can only thank the House for having given me their attention for so long.

Schedule of demands for grants for expenditure of the Central Government for the year 1924-25 submitted for the vote of the Legislative Assembly.

Number of demand.	Service, Administration or Area, to which demand relates.	Head of Account.	Amount.
	A.—Expenditure from Revenue.		R
1	Customs	Customs	73,17,000
2	Taxes on Income	Taxes on Income	61,32,000
3	Salt	Salt	1,16,50,000
4	Opium	Opium	2,07,31,000
5	Land Revenue	Land Revenue	1,00
6	Excise	Excise	4,00
7	Stamps	Stamps	1,14,000
8	Forests	Forests	7,22,000
9	Railways (inclusive of Working Expenses and payment of Surplus Profits to Railway Companies).	State Railways, Subsidised Companies, Miscellaneous Railway Expenditure	(a) 67,00,8,000
10	Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works.	Works for which capital accounts are kept, Miscellaneous Irrigation Expenditure, Construction of Irrigation, etc., Works.	18,02,000
11	Indian Postal and Telegraph Department (including Working Expenses).	Posts and Telegraphs	8,16,90,000
12	Indo-European Telegraph Department (including Working Expenses).		33,58,000
13	Interest on Debt and Reduction or Avoidance of Debt.	Interest on ordinary Debt	21,06,000
14	Interest on Miscellaneous Obligations	Interest on other Obligations	3,62,92,000
15	General Administration	General Administration	72,5,00
16	Audit	Audit	76,45,000
17	Administration of Justice	Administration of Justice	46,000
18	Jails and Convict Settlements	Jails and Convict Settlements	5,000
19	Police	Police	88,00
20	Ports and Pilotage	Ports and Pilotage	12,19,00
21	Survey of India	Scientific Departments	22,38,00
22	Meteorology	,, ,,	6,32,000
23	Geological Survey	,, ,,	2,20,00
24	Botanical Survey	,, ,,	6,41,000
25	Zoological Survey	,, ,,	1,09,000
26	Archæology	,, ,,	1,29,00
27	Mines	,, ,,	1,28,000
28	Other Scientific Departments	,, ,,	4,73,00
29	Education	Education	2,65,000
30	Medical Services	Medical	7,79,000
31	Public Health	Public Health	3,26,000
32	Agriculture	Agriculture	12,61,00
33	Civil Veterinary Services	,,	6,45,000
34	Industries	Industries	2,3,000
35	Aviation	Aviation	19,00
36	Commercial Intelligence	Miscellaneous Departments	1,71,00
37	Census	,, ,,	1,000
38A.	Emigration—Internal	,, ,,	57,00
38B.	,, External	,, ,,	81,000
39	Joint-Stock Companies	,, ,,	1,82,00
40	Miscellaneous Departments	,, ,,	14 4,000
41	Currency	Currency	37,58,000
42	Mint	Mint	13,93,00
43	Civil Works (under the control of the Public Works Department).	Civil Works	1,39,69,000
44	Famine Relief	Famine Relief	14,000
45	Superannuation Allowances and Pensions	Superannuation Allowances and Pensions	29,00,000
46	Stationery and Printing	Stationery and Printing	48,38,000
47	Miscellaneous	Miscellaneous	48,22,000
48	Adjustments with Provincial Governments	Miscellaneous Adjustments between Central and Provincial Governments.	22,85,000
49	Refunds	Distributed over respective heads of account	9,76,000
50	North-West Frontier		1,09,38,000
51	Baluchistan		26,14,000
52	Delhi		31,52,000
53	Ajmer and Merwara		14,16,000
54	Andamans and Nicobar Islands		32,62,000
55	Rajputana		4,87,000
56	Central India		6,52,000
57	Hyderabad		1,97,000
58	Expenditure in England—Secretary of State for India		23,88,000
59	Expenditure in England—High Commissioner for India.		47,39,000
Non-voted	Ecclesiastical, Political, etc.		
	TOTAL		93,95,70,000
	B.—Expenditure charged to Capital.		
60	Railways	Construction of State Railways	29,97,61,000
	Irrigation	Construction of Irrigation Works	...
61	Telegraphs	Capital outlay on Telegraphs	1,73,9,000
62	New Capital at Delhi	Initial Expenditure on New Capital at Delhi	1,42,97,000
	TOTAL		33,14,53,000
	C.—Disbursements of Loans and Advances.		
63	Interest free advances		5,90,89,000
64	Loans and advances bearing interest		14,15,26,000
	TOTAL		20,06,15,000
	GRAND TOTAL		1,47,16,38,000

(a) In consequence of the decision of the Legislative Assembly not to proceed immediately with the scheme for the separation of Railway from General Finance, this amount was altered to R67,71,00,000.

Declaration by the Governor General in Council under Section 67A(7) of the Government of India Act regarding certain demands refused by the Assembly.

In pursuance of Section 67A(7) of the Government of India Act the Governor General in Council is pleased to declare that the following demands which have been refused by the Legislative Assembly are essential to the discharge of his responsibilities, namely—

Number of demand.	Service to which demand relates.	Amount of demand refused by the Legislative Assembly.
		Rs.
1	Customs	71,84,000
2	Taxes on Income	61,32,000
3	Salt	1,06,55,000
4	Opium	2,07,31,000

A. C. MCWATTERS,
Secretary to the Government of India.

The 17th March 1924.

THE INDIAN FINANCE BILL.

AS RECOMMENDED TO THE LEGISLATIVE ASSEMBLY ON THE 18TH MARCH 1924.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

VIII of 1894. VI of 1898. X of 1923.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax; It is hereby enacted as follows:—

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1924.

(*2*) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(*3*) Sections 2 and 4 shall remain in force only up to the 31st day of March, 1925.

XII of 1882.

Fixation of salt duty.

2. (*1*) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden be construed as if, with effect from the 1st day of March, 1924, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

(*2*) With effect from the first day of March, 1924, section 2 of the Indian Finance Act, 1923, is hereby repealed.

VIII of 1894.

Amendment of Act VIII of 1894.

3. With effect from the first day of March, 1924, the amendments specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, 1894.

VI of 1898.

Postal rates.

4. With effect from the first day of April, 1924, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.

5. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1924" the figures "1925" shall be substituted. X of 1923.

Amendment of Act X of 1923.

6. (*1*) Income-tax for the year beginning on the first day of April, 1924, shall be charged at the rates specified in Part I of the Third Schedule.

Income-tax and super-tax.

(*2*) The rates of super-tax for the year beginning on the first day of April, 1924, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule. XI of 1922.

(*3*) For the purposes of the Third Schedule, "total income" means total income as defined in clause (*15*) of section 2 of the Indian Income-tax Act, 1922. XI of 1922.

SCHEDULE I.

Amendment to be made in Schedule II to the Indian Tariff Act, 1894.

[*See section 3.*]

After Item No. 46 the following Items shall be inserted, namely :—

"46A	Undipped SPLINTS such as are ordinarily used for match making.	Pound	Four annas and six pies.
46B	VENEERS such as are ordinarily used for making match boxes, including boxes and parts of boxes made of such veneers.	Pound	Six annas."

SCHEDULE II.

Schedule to be inserted in the Indian Post Office Act, 1898.

[*See section 4.*]

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

[*See section 7.*]

Letters.

For a weight not exceeding two and a half tolas	One anna.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas	One anna.

Postcards.

Single	Half an anna.
Reply	One anna.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof	Half an anna.

Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas . . .	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas . . .	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas . . .	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas	Four annas."

SCHEDULE III.

[*See section 6.*]

PART I.

Rates of Income-tax.

	Rate.
A. In the case of every individual, every unregistered firm and every Hindu undivided family—	
(1) When the total income is less than Rs. 2,000	*Nil.*
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000	Five pies in the rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000	Six pies in the rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 20,000	Nine pies in the rupee.
(5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000	One anna in the rupee.
(6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000	One anna and three pies in the rupee.
(7) When the total income is Rs. 40,000 or upwards	One anna and six pies in the rupee.
B. In the case of every company, and every registered firm, whatever its total income	One anna and six pies in the rupee.

PART II.

Rates of Super-tax.

	Rate.
In respect of the excess over fifty thousand rupees of total income:—	
(1) In the case of every company	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first twenty-five thousand rupees of the excess	*Nil.*
(*ii*) for every rupee of the next twenty-five thousand rupees of such excess	One anna in the rupee.
(*b*) in the case of every individual and every unregistered firm, for every rupee of the first fifty thousand rupees of such excess.	One anna in the rupee.
(*c*) in the case of every individual, every unregistered firm and every Hindu undivided family—	
(*i*) for every rupee of the second fifty thousand rupees of such excess	One and a half annas in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess	Two annas in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess	Two and a half annas in the rupee.
(*iv*) for every rupee of the next fifty thousand rupees of such excess	Three annas in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess	Three and a half annas in the rupee.
(*vi*) for every rupee of the next fifty thousand rupees of such excess	Four annas in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess	Four and a half annas in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess	Five annas in the rupee.
(*ix*) for every rupee of the next fifty thousand rupees of such excess	Five and a half annas in the rupee.
(*x*) for every rupee of the remainder of the excess	Six annas in the rupee.

RECOMMENDATION BY THE GOVERNOR GENERAL TO THE LEGISLATIVE ASSEMBLY.

In pursuance of the provisions of sub-section (1) of section 67B of the Government of India Act, I, Rufus Daniel, Earl of Reading, do recommend to the Legislative Assembly that it do pass the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income tax, in the form hereto annexed.

READING,
Viceroy and Governor General.

March 18th, 1924.

CERTIFICATE BY THE PRESIDENT, LEGISLATIVE ASSEMBLY.

The Legislative Assembly has refused leave to introduce this Bill in the form recommended.

A. F. WHYTE,
President.

The 20th March, 1924.

THE INDIAN FINANCE BILL.

AS RECOMMENDED TO THE COUNCIL OF STATE ON THE 19TH MARCH 1924.

[As on pages 52 to 54 *ante*.]

CERTIFICATE BY THE GOVERNOR GENERAL.

WHEREAS the Legislative Assembly has refused leave to introduce a Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898 further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, a copy of which Bill is hereto annexed;

NOW, THEREFORE, I, Rufus Daniel, Earl of Reading, in exercise of the powers conferred by sub-section (*1*) of section 67B of the Government of India Act, do hereby certify that the said Bill is essential for the interests of British India.

READING,
Viceroy and Governor General.

The 19th March, 1924.

RECOMMENDATION BY THE GOVERNOR GENERAL TO THE COUNCIL OF STATE.

In pursuance of the provisions of sub-section (*1*) of section 67B of the Government of India Act, I, Rufus Daniel, Earl of Reading, do recommend to the Council of State that it do pass the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894 to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, in the form hereto annexed.

READING,
Viceroy and Governor General.

The 19th March, 1924.

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

Delhi, the 29th March 1924.

The following Act which has been assented to by the Governor General under the provisions of clause (b) of sub-section (1) of section 67B of the Government of India Act, and has been expressed to be made by the Governor General under the provisions of sub-section (2) of the same section is hereby published for general information :—

An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax ; It is hereby enacted as follows :—

VIII of 1894. VI of 1898. X of 1923.

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1924.

(*2*) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(*3*) Sections 2 and 4 shall remain in force only up to the 31st day of March, 1925.

XII of 1882.

Fixation of salt duty.

2. (*1*) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the first day of March, 1924, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

(*2*) With effect from the first day of March, 1924, section 2 of the Indian Finance Act, 1923, is hereby repealed.

VIII of 1894.

Amendment of Act VIII of 1894.

3. With effect from the first day of March, 1924, the amendment specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, 1894.

VI of 1898.

Postal rates.

4. With effect from the first day of April, 1924, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.

X of 1923.

Amendment of Act X of 1923.

5. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1924" the figures "1925" shall be substituted.

Income-tax and super-tax.

6. (*1*) Income-tax for the year beginning on the first day of April, 1924, shall be charged at the rates specified in Part I of the Third Schedule.

XI of 1922.

(*2*) The rates of super-tax for the year beginning on the first day of April, 1924, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule.

XI of 1922.

(*3*) For the purposes of the Third Schedule, "total income" means total income as defined in clause (*15*) of section 2 of the Indian Income-tax Act, 1922.

SCHEDULE I.

Amendment to be made in Schedule II to the Indian Tariff Act, 1894.

[*See section 3.*]

After Item No. 46 the following Items shall be inserted, namely :—

"46A	Undipped SPLINTS such as are ordinarily used for match making.	Pound	Four annas and six pies.
46B	VENEERS such as are ordinarily used for making match boxes, including boxes and parts of boxes made of such veneers.	Pound	Six annas."

SCHEDULE II.

Schedule to be inserted in the Indian Post Office Act, 1898.

(*See section 4.*)

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

(*See section 7.*)

Letters.

For a weight not exceeding two and a half tolas	One anna.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas	One anna.

Postcards.

Single	Half an anna
Reply	One anna.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof	Half an anna

Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas . . .	Half an anna
For every twenty tolas, or fraction thereof, exceeding twenty tolas . . .	Half an anna

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas . . .	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas . . .	Four annas.'

SCHEDULE III.

(*See section 6.*)

PART I.

Rates of Income-tax.

A. In the case of every individual, every unregistered firm and every Hindu undivided family—	Rate.
(1) When the total income is less than Rs. 2,000	*Nil.*
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000 .	Five pies in rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000 .	Six pies in rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 20,000 .	Nine pies in rupee.
(5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000 .	One anna in rupee.
(6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000	One anna and pies in the r
(7) When the total income is Rs. 40,000 or upwards	One anna and six pies in the rupee.
B. In the case of every company, and every registered firm, whatever its total income	One anna and six pies in the rupee.

PART II.

Rates of Super-tax.

In respect of the excess over fifty thousand rupees of total income :—

	Rate.
(1) in the case of every company	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first twenty-five thousand rupees of the excess	*Nil.*
(*ii*) for every rupee of the next twenty-five thousand rupees of such excess	One anna in the rupee.
(*b*) in the case of every individual and every unregistered firm, for every rupee of the first fifty thousand rupees of such excess	One anna in the rupee.
(*c*) in the case of every individual, every unregistered firm and every Hindu undivided family—	
(*i*) for every rupee of the second fifty thousand rupees of such excess	One and a half annas in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess	Two annas in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess	Two and a half annas in the rupee.
(*iv*) for every rupee of the next fifty thousand rupees of such excess	Three annas in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess	Three and a half annas in the rupee.
(*vi*) for every rupee of the next fifty thousand rupees of such excess	Four annas in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess	Four and a half annas in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess	Five annas in the rupee.
(*ix*) for every rupee of the next fifty thousand rupees of such excess	Five and a half annas in the rupee.
(*x*) for every rupee of the remainder of the excess	Six annas in the rupee.

READING,
Viceroy and Governor General.

The 26th March, 1924.

This Act has been made by me as Governor General under the provisions of section 67B of the Government of India Act.

READING,
Viceroy and Governor General.

The 26th March, 1924.

WHEREAS I, Rufus Daniel, Earl of Reading, am of opinion that a state of emergency exists which justifies a direction by me that the Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, being an Act made by me under the provisions of section 67B of the Government of India Act, shall come into operation forthwith.

NOW, THEREFORE, in exercise of the power conferred by the proviso to sub-section (2) of that section, I do hereby direct accordingly.

READING,
Viceroy and Governor General.

The 26th March, 1924.

H. MONCRIEFF SMITH,
Secretary to the Government of India.

FINANCE DEPARTMENT.

NOTIFICATION.

ACCOUNTS AND FINANCE.
ESTIMATES AND ACCOUNTS.

Delhi, the 28th March 1924.

No. 996-F.—The following Statement is published for general information;—

A Statement by His Excellency the Governor General of the reasons which moved him to pass an order under section 67B of the Government of India Act for certification of the Indian Finance Bill as recommended to the Legislative Assembly and the Council of State.

A. C. McWATTERS,
Secy. to the Govt. of India.

STATEMENT.

When the Budget for the year 1924-25 was introduced in the Legislative Assembly, the Hon'ble the Finance Member was authorised by me to announce that as our anticipations for the coming year indicated a Budget which would balance on the present basis of taxation and with the salt duty reduced to the former level of Rs. 1-4 per maund, the choice between that rate and any higher rate would be left to the Assembly. At the same time, my Government, with the full concurrence of the Secretary of State for India, made clear their view that a higher rate of salt duty at Rs. 2 per maund would be in the best interests of the country, since it would enable a commencement to be made with the reduction of the Provincial contributions in four Provinces, and would thereby secure increased provision for objects such as Education, Public Health and Industry, the furtherance of which is our anxious concern.

2. When the Demands for Grants under the different heads of expenditure were laid before the Assembly, that House saw fit to reject, without any examination of the expenditure on its merits and for reasons extraneous to the Budget, the Demands for the Customs, Income-tax, Salt, and Opium Departments, four of the main revenue earning Departments of Government. These four demands, on the retention of which the revenue of these important departments necessarily depended, were later on restored by my Government acting in accordance with the powers conferred on them by section 67A (7) of the Government of India Act. The remaining Demands had in the meantime been passed by the Assembly with small reductions under two heads only. When, during the next stage of the Budget procedure, the Finance Bill was presented for the consideration of the Assembly, consideration was refused without examination of details, in spite of the fact that the majority of the Demands for expenditure under different departments of Government had actually been accepted by the House.

3. The position which resulted from the action of the Assembly therefore was that when the Finance Bill providing for the means of meeting the expenditure which it had already voted came before the Assembly, the Bill was rejected without consideration. The Finance Bill prescribes the rates at which taxation shall be levied under several of the most important revenue heads, including the salt duty, postage and income-tax, and the legislative sanction given by the Finance Act of the preceding year for the collection of taxation under these heads would have expired on the 31st March 1924. In these circumstances it was my obvious duty, under the special powers conferred upon me by section 67B of the Government of India Act, to take such action as was essential for the interests of British India in order to enable the administration of the country to be carried on and to provide sufficient funds to enable the Government of India's Budget for the coming year to be balanced. It was with this sole object in view that I recommended to the Assembly the Finance Bill in a modified form containing only such provisions as were essential for the purposes above mentioned. The Finance Bill as recommended by me provided for the levy of salt duty at the former rate of Rs. 1-4 per maund, for the existing postal rates and rates of income-tax, for the continuance for a further year of the provision, agreed to by the Legislative Assembly last year, for the credit to general revenues of the interest on the securities held in the Paper Currency Reserve, and for the imposition of a specific duty on certain materials for match manufacture, which is required to safeguard the revenue (exceeding 1½ crores of rupees) derived from the present import duty on matches. Certain items, including proposals to reduce the excise duty and the import duty on motor spirit, to reduce the import duty on certain component parts of cotton-mill machinery and to effect other minor changes in the customs tariff, were omitted from the recommended Bill. These proposals, though of a beneficial character, were not such as I could hold to be essential for the interests of India. This Bill with my recommendation was presented to the Legislative Assembly, but leave to introduce it was refused. It was thereupon laid before the Council of State with a certificate by me that the provisions of the Bill were essential for the interests of British India and was passed by the Council without amendment. To this Bill as consented to by that Chamber I have signified my assent.

4. It is to me a matter of regret that the Legislative Assembly, to whom important responsibilities are entrusted in voting expenditure to be incurred by Government and in authorising the provision of the necessary funds to meet that expenditure, should have failed on this occasion to consider these important financial matters on their merits. The action which my Government was compelled to take to restore the four grants rejected by the Assembly and that which I have found it necessary to take in exercise of the special power conferred upon me as Governor General, have as their sole object the maintenance of the administration and the provision of the funds necessary for that administration to be carried on.

READING,
Viceroy and Governor General.

The 28th March 1924.

No. 997-F.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

ACCOUNTS AND FINANCE.
ESTIMATES AND ACCOUNTS.

Delhi, the 28th March 1924.

RESOLUTION.

The statements relating to the Revised estimates for 1923-24 and the Budget estimates for 1924-25 which were presented to the Legislative Assembly and the Council of State on the 29th February 1924 have now been revised with reference to the changes made by the Legislative Assembly when voting the demands for grants, the restoration by the Governor General in Council of certain demands refused by the Assembly and the modifications made in the Indian Finance Bill since its introduction in the Assembly on the 1st March 1924. Certain alterations not affecting voted expenditure for 1924-25 have also been made in the estimates in the light of more recent information. The revised statements are now published for general information.

A. C. McWATTERS,
Secretary to the Government of India.

BUDGET

OF THE

GOVERNMENT OF INDIA,

MARCH 1924.

ACCOUNTS	1922-23
REVISED ESTIMATES	1923-24
BUDGET ESTIMATES	1924-25

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I.—General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1922-23.	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
		R	R	R	R
Revenue—					
Principal Heads of Revenue—					
Customs	A	41,34,65,362	45,09,41,000	40,41,53,000	45,01,82,000
Taxes on Income	„	17,99,41,150	19,04,64,000	19,07,45,000	18,21,97,000
Salt	„	6,82,46,112	11,75,00,000	8,70,27,000	9,04,62,000
Opium	„	3,78,92,068	3,93,12,000	4,30,64,000	4,33,60,000
Other Heads	„	2,34,00,268	2,44,97,000	2,34,27,000	2,22,32,000
TOTAL PRINCIPAL HEADS		72,29,44,960	82,27,14,000	74,84,16,000	78,84,33,000
Railways: Net Receipts	A	26,82,98,476	31,76,58,000	32,37,87,000	29,74,93,000
Irrigation: Net Receipts	„	10,90,752	10,83,000	11,20,000	12,47,000
Posts and Telegraphs: Net Receipts	„	1,22,29,448	2,08,32,000	84,94,000	1,07,41,000
Interest Receipts	„	1,15,70,696	2,50,96,000	3,24,25,000	3,17,25,000
Civil Administration	„	44,34,528	62,08,000	67,49,000	72,01,000
Currency, Mint and Exchange	„	3,62,03,131	2,69,26,000	3,07,68,000	3,63,86,000
Civil Works	„	14,38,067	10,69,000	13,19,000	12,36,000
Miscellaneous	„	62,46,625	48,34,000	3,23,44,000	67,48,000
Military Receipts	„	5,73,78,865	3,04,87,000	4,19,53,000	2,75,16,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments	„	9,22,93,608	9,21,36,000	9,22,29,000	9,22,11,000
TOTAL REVENUE		1,21,41,29,156	1,34,90,43,000	1,31,96,04,000	1,30,09,37,000
DEFICIT		15,01,76,392	...	...	...
TOTAL		1,36,43,05,548	1,34,90,43,000	1,31,96,04,000	1,30,09,37,000

M. F. GAUNTLETT,
Auditor General.

DELHI,
FINANCE DEPARTMENT,
The 28th March 1924.

evenue of the Central Government, in India and in England.

	For details, *vide* Statement.	Accounts, 1922-23.	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
		R	R	R	R
Expenditure—					
Direct Demands on the Revenues	B	5,22,04,980	5,37,22,000	5,60,92,000	5,54,12,000
Railways: Interest and Miscellaneous Charges	„	25,60,99,247	27,91,32,000	26,09,87,000	25,16,79,000
Irrigation	„	13,75,391	14,20,000	16,51,000	22,85,000
Posts and Telegraphs	„	76,98,536	53,35,000	12,62,000	—11,00,000
Debt Services	„	16,15,89,540	17,21,57,000	16,74,88,000	18,32,51,000
Civil Administration	„	9,94,32,040	9,78,29,000	9,57,10,000	9,80,28,000
Currency, Mint and Exchange	„	1,03,09,731	1,13,11,000	1,05,32,000	77,31,000
Civil Works	„	1,34,81,040	1,76,63,000	1,61,11,000	2,06,50,000
Miscellaneous	„	5,20,56,088	5,15,39,000	4,80,13,000	4,88,73,000
Military Services	„	71,00,58,955	65,04,87,000	63,93,72,000	63,00,16,000
Miscellaneous adjustments between the Central and Provincial Governments	„	...	3,62,000	17,79,000	22,65,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,36,43,05,548	1,34,09,57,000	1,29,89,97,000	1,29,90,90,000
SURPLUS		...	80,86,000	2,06,07,000	18,47,000
TOTAL		1,36,43,05,548	1,34,90,43,000	1,31,96,04,000	1,30,09,37,000

A. V. V. AIYAR,
Offg. Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts. Accounts, 1922-23.	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
		R	R	R	R
Surplus	C	...	80,86,000	2,06,07,000	18,47,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards construction of State Railways	„	28,26,557	4,51,26,000	...	80,24,000
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	„	66,22,99,053	33,15,56,000	37,21,89,000	36,85,62,000
Floating Debt (net incurred)	„	...	...	...	...
Unfunded Debt (net incurred)	„	2,96,51,483	5,91,85,000	10,52,36,000	7,51,45,000
Deposits and Advances (net)	„	17,82,38,542	11,42,69,000	4,89,88,000	15,42,67,000
Loans and Advances by Central Government (net Repayments)	„	20,42,338	6,67,000	20,44,000	6,70,000
Remittances (net)	„	37,92,494	...	...	1,38,000
Balances of Provincial Governments (net)	„	6,34,730	...	5,03,81,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES	...	87,66,58,640	49,66,77,000	57,88,38,000	59,87,82,000
TOTAL RECEIPTS	...	87,94,85,197	54,98,89,000	59,94,45,000	60,86,53,000
Opening Balance—India	...	25,66,13,170	23,89,58,170	25,95,80,424	29,77,01,424
England	...	8,99,53,817	7,41,81,817	9,82,19,688	7,63,05,688
TOTAL	...	1,22,60,52,184	86,30,28,987	95,72,45,112	98,26,60,112

M. F. GAUNTLETT,
Auditor General.

DELHI,
FINANCE DEPARTMENT,
The 28th March 1924.

entral Government, in India and in England.

	For details, *vide* Statement.	Disbursements. Accounts, 1922-23.	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
		R	R	R	R
eficit	C	15,01,76,392	...	...	...
ailway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—					
Construction of State Railways	„	18,43,42,305	38,63,95,000	23,60,64,000	30,00,00,000
Capital outlay on Indian Postal and Telegraph Department	„	65,62,006	94,30,000	96,65,000	1,73,95,000
Construction of Irrigation Works	„	2,25,219	22,000	7,000	...
Initial expenditure on new Capital at Delhi	„	1,84,79,432	1,97,00,000	1,82,00,000	1,47,00,000
Payments for discharge of Debentures (net)	„	63,34,021	4,51,26,000	1,04,07,000	1,44,86,000
Redemption of Liabilities involved in the purchase of Railways		...	...	...	27,07,03,000
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	„	21,59,42,983	46,06,73,000	27,43,43,000	61,72,84,000
ebt, Deposits and Advances—					
Permanent Debt (net discharged)	C	...	...	...	...
Floating Debt (net discharged)	„	40,61,80,000	5,50,00,000	19,46,00,000	2,13,00,000
Deposits and Advances (net)	„	...	...	...	...
Loans and Advances by Central Government (net Advances)	„	...	...	...	...
Loans between Central and Provincial Governments (net Advances)	„	9,59,52,697	13,46,77,000	11,32,26,000	12,72,62,000
Remittances (net)	„	...	80,15,000	10,69,000	...
Balances of Provincial Governments (net)	„	...	1,20,12,000	...	3,00,23,000
TOTAL DEBT, DEPOSITS AND ADVANCES	...	50,21,32,697	20,97,04,000	30,88,95,000	17,85,85,000
TOTAL DISBURSEMENTS	...	86,82,52,072	67,03,77,000	58,32,38,000	79,58,69,000
Closing Balance—India	...	25,95,80,424	14,76,21,170	29,77,01,424	13,87,36,424
England	...	9,82,19,688	4,50,30,817	7,63,05,688	4,80,54,688
TOTAL	...	1,22,60,52,184	86,30,28,987	95,72,45,112	98,26,60,112

A. V. V. AIYAR,
ffg. Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

A.—Statement of the Revenue of the

HEADS OF REVENUE.	Accounts, 1922-23.				Revised Estimate.		
	India.	* England.	Exchange.	Total.	India.	* England.	Exchange.
	R	R	R	R	R	R	R
Principal Heads of Revenue—							
I.—Customs	41,34,65,362	...	...	**41,34,65,362**	40,41,53,000	...	...
II.—Taxes on Income	17,99,41,150	...	...	**17,99,41,150**	19,07,45,000	...	...
III.—Salt	6,82,46,112	...	...	**6,82,46,112**	8,70,27,000	...	...
IV.—Opium	3,78,92,068	...	...	**3,78,92,068**	4,30,64,000	...	...
V.—Land Revenue	42,93,120	...	...	**42,93,120**	44,68,000	...	...
VI.—Excise	51,68,531	...	...	**51,68,531**	48,87,000	...	...
VII.—Stamps—							
A.—Non-judicial	8,34,195	...	...	**8,34,195**	8,99,000	...	...
B.—Judicial	16,76,196	...	...	**16,76,196**	18,72,000	...	...
VIII.—Forest	25,28,572	...	...	**25,28,572**	24,26,000	...	...
IX.—Registration	1,49,431	...	...	**1,49,431**	1,49,000	...	...
X.—Tributes from Indian States	87,50,223	...	...	**87,50,223**	87,26,000	...	...
Total	72,29,44,960	...	...	**72,29,44,960**	74,84,16,000	...	...
Railways—							
XI.—State Railways—							
Gross Receipts	93,14,77,517	4,83,362	2,53,339	**93,22,14,218**	94,15,00,000	4,83,000	2,19,000
Deduct—Working Expenses	*65,96,16,125*	...	...	***65,96,16,125***	*60,96,00,000*	...	...
Surplus Profits paid to Companies	*69,40,501*	...	...	***69,40,501***	*1,11,42,000*	...	...
Net Receipts	26,49,20,891	4,83,362	2,53,339	**26,56,57,592**	32,07,58,000	4,83,000	2,19,000
XII.—Subsidised Companies	7,82,523	11,95,423	6,62,938	**26,40,884**	5,16,000	12,45,000	5,66,000
Total	26,57,03,414	16,78,785	9,16,277	**26,82,98,476**	32,12,74,000	17,28,000	7,85,000
Irrigation, etc.—							
XIII.—Works for which Capital accounts are kept	10,84,943	...	...	**10,84,943**	11,91,000	—65,000	—29,000
XIV.—Works for which no Capital accounts are kept	5,809	...	...	**5,809**	23,000	...	...
Total	10,90,752	...	...	**10,90,752**	12,14,000	—65,000	—29,000
Posts and Telegraphs—							
XV.—Gross Receipts	9,89,26,881	15,72,538	8,15,058	**10,13,14,477**	10,12,24,000	16,00,000	7,37,000
Deduct—Working Expenses	*8,85,89,711*	*3,23,517*	*1,71,801*	***8,90,85,029***	*9,21,84,000*	*19,75,000*	*8,98,000*
Net Receipts	1,03,37,170	12,49,021	6,43,257	**1,22,29,448**	90,40,000	—3,75,000	—1,71,000
Interest Receipts—							
XVI.—Interest	89,34,027	17,40,666	8,96,003	**1,15,70,696**	85,09,000	1,64,42,000	74,74,000
Carried over	1,00,90,10,323	46,68,472	24,55,537	**1,01,61,34,332**	1,08,84,53,000	1,77,30,000	80,59,000

* Sterling converted into Rupees at £1 = Rs. 10.

Central Government, in India and in England.

1923-24.	Increase (+) Decrease (—) as compared with Budget Estimate, 1923-24.	Budget Estimate, 1924-25.				Increase (+) Decrease (—) as compared with Budget, 1923-24.	Increase (+) Decrease (—) as compared with Revised, 1923-24.
Total.		India.	* England.	Exchange.	Total.		
R	R	R	R	R	R	R	R
40,41,53,000	—4,67,88,000	45,01,82,000	...	...	45,01,82,000	—7,59,000	+4,60,29,000
19,07,45,000	+2,81,000	18,21,97,000	...	...	18,21,97,000	—82,67,000	—85,48,000
8,70,27,000	—3,04,73,000	9,04,62,000	...	...	9,04,62,000	—2,70,38,000	+34,35,000
4,30,64,000	+37,52,000	4,33,60,000	...	...	4,33,60,000	+40,48,000	+2,96,000
44,68,000	+74,000	39,62,000	...	...	39,62,000	—4,32,000	—5,06,000
48,87,000	—3,71,000	45,53,000	...	...	45,53,000	—7,05,000	—3,34,000
8,99,000	—67,000	9,05,000	...	...	9,05,000	—61,000	+6,000
18,72,000	+2,57,000	18,22,000	...	...	18,22,000	+2,07,000	—50,000
24,26,000	—10,31,000	21,96,000	...	...	21,96,000	—12,61,000	—2,30,000
1,49,000	—13,000	1,43,000	...	...	1,43,000	—19,000	—6,000
87,26,000	+81,000	86,51,000	...	...	86,51,000	+6,000	—75,000
74,84,16,000	—7,42,98,000	78,84,33,000	...	...	78,84,33,000	—3,42,81,000	+4,00,17,000
94,22,02,000	—1,35,22,000	97,00,00,000	4,83,000	2,09,000	97,06,92,000	+1,49,68,000	+2,84,90,000
60,96,00,000	+2,05,50,000	*66,43,04,000*	...	...	*66,43,04,000* (a)	—3,41,54,000	—5,47,04,000
1,11,42,000	—12,65,000	*1,14,87,000*	...	...	*1,14,87,000* (b)	—16,10,000	—3,45,000
32,14,60,000	+57,63,000	29,42,09,000	4,83,000	2,09,000	29,49,01,000	—2,07,96,000	—2,65,59,000
23,27,000	+3,66,000	4,93,000	14,65,000	6,34,000	25,92,000	+6,31,000	+2,65,000
32,37,87,000	+61,29,000	29,47,02,000	19,48,000	8,43,000	29,74,93,000	—2,01,65,000	—2,62,94,000
10,97,000 (c)	+18,000	13,30,000	—64,000	—27,000	12,39,000 (d)	+1,60,000	+1,42,000
23,000	+19,000	8,000	...	...	8,000	+4,000	—15,000
11,20,000	+37,000	13,38,000	—64,000	—27,000	12,47,000	+1,64,000	+1,27,000
10,35,51,000	—36,32,000	10,48,79,000	8,20,000	3,55,000	10,60,54,000	—11,29,000	+25,03,000
9,50,57,000	—87,06,000	*9,31,88,000*	*14,83,000*	*6,42,000*	*9,53,13,000* (e)	—89,62,000	—2,56,000
84,94,000	—1,23,38,000	1,16,91,000	—6,63,000	—2,87,000	1,07,41,000	—1,00,91,000	+22,47,000
3,24,25,000	—73,29,000	93,60,000	1,56,09,000	67,56,000	3,17,25,000	+66,29,000	—7,00,000
1,11,42,42,000	—7,31,41,000	1,10,55,24,000	1,68,80,000	72,85,000	1,12,96,39,000	—5,77,44,000	+1,53,97,000

(a) Of this amount R39,27,000 is non-voted and the balance of R66,03,77,000 is voted.
(b) The whole of this amount is voted.
(c) Represents net receipts after deduction of R10,40,000 on account of working expenses.
(d) Represents net receipts after deduction of R9,69,000 on account of working expenses of which R1,60,000 is non-voted and the balance of R8,09,000 is voted.
(e) Of this amount, R20,65,000 is non-voted and the balance of R9,32,48,000 is voted.

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	Accounts, 1922-23.				Revised Estimate,		
	India.	England.	Exchange.	Total.	India.	England.	Exchange.
	R	R	R	R	R	R	R
Brought forward	1,00,90,10,323	46,68,472	24,55,537	**1,01,61,34,332**	1,08,84,53,000	1,77,30,000	80,59,000
Civil Administration—							
XVII.—Administration of Justice	3,56,160	...	...	**3,56,160**	4,29,000	...	...
XVIII.—Jails and Convict Settlements	7,74,790	...	...	**7,74,790**	7,91,000	...	...
XIX.—Police	—10,40,488	...	...	**—10,40,488**	1,20,000	...	...
XX.—Ports and Pilotage	21,24,104	...	...	**21,24,104**	21,44,000	...	...
XXI.—Education	1,24,778	...	...	**1,24,778**	1,39,000	...	...
XXII.—Medical	63,755	686	384	**64,825**	1,14,000	...	...
XXIII.—Public Health	1,32,471	...	...	**1,32,471**	70,000	...	...
XXIV.—Agriculture	5,68,611	...	...	**5,68,611**	9,22,000	...	...
XXV.—Industries	2,020	...	...	**2,020**	1,000	...	...
XXVI.—Miscellaneous Departments	13,27,257	...	...	**13,27,257**	20,19,000	...	...
Total	44,33,458	686	384	**44,34,528**	67,49,000	...	...
Currency, Mint and Exchange—							
XXVII.—Currency	3,12,08,339	14,70,102	8,30,279	**3,35,08,720**	2,73,37,000	14,57,000	6,63,000
XXVIII.—Mint	26,94,063	228	120	**26,94,411**	13,10,000	1,000	...
Total	3,39,02,402	14,70,330	8,30,399	**3,62,03,131**	2,86,47,000	14,58,000	6,63,000
Civil Works—							
XXX.—Civil Works	14,38,067	...	...	**14,38,067**	13,19,000	...	...
Miscellaneous—							
XXXIII.—Receipts in aid of Superannuation	22,93,609	3,64,898	1,92,002	**28,50,509**	20,04,000	3,60,000	1,64,000
XXXIV.—Stationery and Printing	17,01,574	11,204	6,353	**17,19,131**	13,70,000	7,000	3,000
XXXV.—Miscellaneous	5,88,047	7,03,508	3,85,430	**16,76,985**	—1,28,000	1,96,38,000	89,26,000
Total	45,83,230	10,79,610	5,83,785	**62,46,625**	32,46,000	2,00,05,000	90,93,000
Military Receipts—							
XXXVI.—Army—							
Effective	3,36,22,667	74,81,527	38,67,726	**4,49,71,920**	2,36,13,000	38,20,000	17,37,000
Non-effective	10,85,290	15,25,970	7,89,713	**34,00,973**	9,98,000	12,12,000	5,51,000
	3,47,07,957	90,07,497	46,57,439	**4,83,72,893**	2,46,11,000	50,32,000	22,88,000
XXXVII.—Marine	32,72,538	...	...	**32,72,538**	29,99,000	...	...
XXXVIII.—Military Works	57,33,434	...	...	**57,33,434**	70,23,000	...	...
Total	4,37,13,929	90,07,497	46,57,439	**5,73,78,865**	3,46,33,000	50,32,000	22,88,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—							
XXXIX.—Contributions and Assignments to the Central Government by Provincial Governments	9,20,00,000	...	...	**9,20,00,000**	9,20,00,000	...	...
XL.—Miscellaneous adjustments between the Central and Provincial Governments	2,93,608	...	...	**2,93,608**	2,29,000	...	...
Total	9,22,93,608	...	...	**9,22,93,608**	9,22,29,000	...	...
TOTAL REVENUE	1,18,93,75,017	1,62,26,595	85,27,544	**1,21,41,29,156**	1,25,52,76,000	4,42,25,000	2,01,03,000

Sterling converted into Rupees at £1 = Rs. 10.

Government, in India and in England—*continued.*

1923-24.	Increase (+) Decrease (−) as compared with Budget Estimate, 1923-24.	Budget Estimate, 1924-25.				Increase (+) Decrease (—) as compared with Budget, 1923-24.	Increase (+) Decrease (—) as compared with Revised, 1923-24.
Total.		India.	* England.	Exchange.	Total.		
R	R	R	R	R	R	R	R
1,11,42,42,000	—7,31,41,000	1,10,55,24,000	1,68,30,000	72,85,000	**1,12,96,39,000**	—5,77,44,000	+1,53,97,000
4,29,000	+45,000	4,47,000	...	...	**4,47,000**	+63,000	+18,000
7,91,000	—1,18,000	7,84,000	...	...	**7,84,000**	−1,25,000	—7,000
1,20,000	−44,000	98,000	...	...	**98,000**	−66,000	—22,000
21,44,000	−3,07,000	22,49,000	...	...	**22,49,000**	—2,02,000	+1,05,000
1,39.000	+6,000	1,30,000	...	...	**1,30,000**	—3,000	—9,000
1,14,000	+7,000	1,09,000	...	...	**1,09,000**	+2,000	—5,000
70,000	—52,000	80,000	...	...	**80,000**	—42,000	+10,000
9,22,000	+4,21,000	10,30,000	...	...	**10,30,000**	+5,29,000	+1,08,000
1,000	+1,000	...	...	...	**...**	...	—1,000
20,19,000	+5,82,000	22,74,000	...	...	**22,74,000**	+8,37,000	+2,55,000
67,49,000	+5,41,000	72,01,000	...	...	**72,01,000**	+9,93,000	+4,52,000
2,94,57,000	+30,22,000	2,97,41,000	34,88,000	15,10,000	**3,47,39,000**	+83,04,000	+52,82,000
13,11,000	+8,20,000	16,46,000	1,000	...	**16,47,000**	+11,56,000	+3,36,000
3,07,68,000	+38,42,000	3,13,87,000	34,89,000	15,10,000	**3,63,86,000**	+94,60,000	+56,18,000
13,19,000	+2,50,000	12,36,000	...	...	**12,36,000**	+1,67,000	—83,000
25,28,000	+6,000	19,76,000	3,48,000	1,51,000	**24,75,000**	—47,000	—53,000
13,80,000	+2,03,000	8,53,000	7,000	3,000	**8,63,000**	—3,14,000	—5,17,000
2,84,36,000	+2,73,01,000	5,03,000	20,29,000	8,78,000	**34,10,000**	+22,75,000	—2,50,26,000
3,23,44,000	+2,75,10,000	33,32,000	23,84,000	10,32,000	**67,48,000**	+19,14,000	—2,55,96,000
2,91,70,000	+52,32,000	1,62,70,000	35,85,000	15,51,000	**2,14,06,000**	—25,32,000	—77 64,000
27,61,000	—30,000	9,77,000	10,85,000	4,70,000	**25,32,000**	—2,59,000	—2,29,000
3,19,31,000	+52,02,000	1,72,47,000	46,70,000	20,21,000	**2,39,38,000**	−27,91,000	—79,93,000
29,99,000	+8,70,000	14,92,000	...	...	**14,92,000**	—6,37,000	—15 07,000
70,23,000	+53,94,000	20,86,000	...	...	**20,86,000**	+4,57,000	—49,37,000
4,19,53,000	+1,14,66,000	2,08,25,000	46,70,000	20,21,000	**2,75,16,000**	—29,71,000	—1,44,37,000
9,20,00,000	...	9,20,12,000	...	...	**9,20,12,000**	+12,000	+12,000
2,29,000	+93,000	1,99,000	...	...	**1,99,000**	+63,000	—30,000
9,22,29,000	+93,000	9,22,11,000	...	...	**9,22,11,000**	+75,000	—18,000
1,31,96,04,000	−2,94,39,000	1,26,17,16,000	2,73,73,000	1,18,48,000	**1,30,09,37,000**	—4,81,06,000	—1,86,67,000

B.—Statement of the Expenditure charged to the Revenues

HEADS OF EXPENDITURE.	Accounts, 1922-23.				Revised Estimate,		
	India.	England.	Exchange.	Total.	India.	England.	Exchange.
	R	R	R	R	R	R	R
Direct Demands on the Revenues—							
1.—Customs	69,30,458	86,613	44,929	**70,62,000**	69,94,000	1,37,000	62,000
2.—Taxes on income	43,94,778	40,095	21,263	**44,56,136**	64,46,000	36,000	16,000
3.—Salt	1,50,47,654	57,471	31,022	**1,51,36,147**	1,41,86,000	54,000	25,000
4.—Opium	1,86,01,903	38,462	20,278	**1,86,60,643**	2,57,43,000	69,000	31,000
5.—Land Revenue	12,96,750	26,867	14,184	**13,37,101**	11,09,000	51,000	23,000
6.—Excise	2,52,633	13,095	6,808	**2,72,536**	2,30,000	10,000	5,000
7.—Stamps—							
A.—Non-judicial	−14,07,464	18,24,757	9,25,034	**13,42,327**	−39,81,000	3,20,000	1,45,000
B.—Judicial					3,20,000	...	...
8.—Forests	31,09,100	5,18,302	2,70,645	**38,97,447**	32,71,000	5,18,000	2,36,000
9.—Registration	40,643	...	...	**40,643**	36,000	...	...
Total	4,82,65,755	26,05,662	13,33,563	**5,22,04,980**	5,43,54,000	11,95,000	5,43,000
Railway Revenue Account—							
10.—State Railways:							
Interest on Debt	9,83,68,192	4,24,28,620	2,26,50,537	**16,34,47,349**	11,05,44,000	4,34,87,000	1,97,67,000
Interest on Capital contributed by Companies	3,88,034	2,18,52,849	1,13,14,729	**3,35,55,612**	4,30,000	2,11,40,000	96,09,000
Annuities in purchase of Railways	...	3,35,77,160	1,77,62,227	**5,13,39,387**	...	3,35,75,000	1,52,61,000
Sinking Funds	...	30,73,515	16 40,322	**47,13,837**	...	32,73,000	14,88,000
11.—Subsidised Companies	9,43,460	...	...	**9,43,460**	7,41,000	...	...
12.—Miscellaneous Railway Expenditure	−2,60,196	15,38,463	8,21,335	**20,99,602**	−5,97,000	15,60,000	7,09,000
Total	9,94,39,490	10,24,70,607	5,41,89,150	**25,60,99,247**	11,11,18,000	10,30,35,000	4,68,34,000
Irrigation, etc., Revenue Account—							
14.—Works for which Capital accounts are kept—							
Interest on Debt	12,18,882	...	...	**12,18,882**	12,33,000	...	...
15.—Other Revenue Expenditure	98,601	18,247	9,534	**1,26,382**	2,08,000	34,000	16,000
Total	13,17,483	18,247	9,534	**13,45,264**	14,41,000	34,000	16,000
Irrigation, etc., Capital Account (charged to Revenue)—							
16.—Construction of Irrigation, etc., Works—Financed from Ordinary Revenues.	30,127	...	...	**30,127**	1,60,000	...	...
Posts and Telegraphs Revenue Account—							
17.—Posts and Telegraphs—							
Interest on Debt	59,16,002	...	...	**59,16,002**	63,60,000	...	...
Posts and Telegraphs Capital Account (charged to Revenue)—							
18.—Capital outlay on Posts and Telegraphs—							
Indian Postal and Telegraph Department	−36,73,788	38,14,852	20,37,524	**21,78,588**	−68,12,000	15,00,000	6,82,000
Indo-European Telegraph Department	−5,87,360	1,26,414	64,892	**−3,96,054**	−3,63,000	−72,000	−33,000
Total	−42,61,148	39,41,266	21,02,416	**17,82,534**	−71,75,000	14,28,000	6,49,000
Debt Services—							
19.—Interest on Ordinary Debt	17,66,53,811	8,65,97,278	4,55,69,437	**30,88,20,526**	19,22,00,000	10,27,16,000	4,66,89,000
Deduct—Amount chargeable to—							
Railways	*9,83,68,192*	*4,24,28,620*	*2,26,50,537*	***16,34,47,349***	*11,05,44,000*	*4,34,87,000*	*1,97,67,000*
Irrigation	*12,18,882*	...	...	***12,18,882***	*12,33,000*	...	...
Posts and Telegraphs	*59,16,002*	...	...	***59,16,002***	*63,60,000*	...	...
Provincial Governments	*3,02,00,692*	...	...	***3,02,00,692***	*3,74,90,000*	...	...
Remainder chargeable to Ordinary Debt	4,09,50,043	4,41,68,658	2,29,18,900	**10,80,37,601**	3,65,73,000	5,92,29,000	2,69,22,000
20.—Interest on other Obligations	3,06,19,037	51,360	25,231	**3,06,95,628**	3,08,54,000	76,000	35,000
21.—Reduction or Avoidance of Debt	1,54,00,000	50,00,000	24,56,311	**2,28,56,311**	73,61,000	44,26,000	20,12,000
Total	8,69,69,080	4,92,20,018	2,54,00,442	**16,15,89,540**	7,47,88,000	6,37,31,000	2,89,69,000
Carried over	23,76,76,789	15,82,55,800	8,30,35,105	**47,89,67,694**	24,10,46,000	16,94,23,000	7,70,11,000

*Sterling converted into Rupees at £1 = Rs. 10.

of the Central Government, in India and in England.

1923-24.		Budget Estimate, 1924-25.							
Total.	Increase (+) Decrease (—) as compared with Budget, 1923-24.	India.	* England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1923-24.	Increase (+) Decrease(—) as compared with Revised, 1923-24.	Distribution of Total between	
								Voted.	Non-voted.
R	R	R	R	R	R	R	R	R	R
71,93,000	—57,000	80,37,000	1,30,000	56,000	**82,23,000**	+9,73,000	+10,30,000	72,64,000	9,59,000
64,98,000	+1,19,000	64,53,000	46,000	20,000	**65,19,000**	+1,40,000	+21,000	61,48,000	3,71,000
1,42,65,000	—11,85,000	1,44,46,000	62,000	27,000	**1,45,35,000**	—9,15,000	+2,70,000	1,06,92,000	38,43,000
2,58,43,000	+70,12,000	2,08,01,000	75,000	32,000	**2,09,08,000**	+20,77,000	—49,35,000	2,08,02,000	1,06,000
11,83,000	+17,000	12,78,000	41,000	18,000	**13,37,000**	+1,71,000	+1,54,000	12 15,000	1,22,000
2,45,000	—26,000	2,36,000	21,000	9,000	**2,66,000**	—5,000	+21,000	1,57,000	1,09,000
—35,16,000	—31,96,000	—8,12,000	5,00,000	2,16,000	**—96,000**	+2,24,000	+34,20,000	} 1,55,000	18,000
3,20,000	+2,77,000	2,69,000	...	...	**2,69,000**	+2,26,000	—51,000		
40,25,000	—5,85,000	28,95,000	3,62,000	1,57,000	**34,14,000**	—11,96,000	—6,11,000	(c)28,32,000	5,82,000
36,000	—6,000	37,000	...	...	**37,000**	—5,000	+1,000	33,000	4,000
5,60,92,000	+23,70,000	5,36,40,000	12,37,000	5,35,000	**5,54,12,000**	+16,90,000	—6,80,000	4,92,98 000	61,14,000
17,37,98,000	—1,39,92,000	12,41,63,000	4,59,97,000	1,99,09,000	**19,00,69,000**	+22,79,000	+1,62,71,000	...	19,00,69,000
3,11,79,000	—10,51,000	4,70,000	1,92,20,000	83,19,000	**2,80,09,000**	—42,21,000	—31,70,000	...	2,80,09,000
4,88,36,000	—15,23,000	...	2,07,67,000	89,89,000	(a)**2,97,56,000**	—2,06,06,000	—1,90,80,000	...	2,97,56,000
47,61,000	—1,49,000	...	...	..	(b)...	—49,10,000	—47,61,000	...	...
7,41,000	—18,49,000	16,00,000	...	...	**16,00,000**	—9,90,000	+8,59,000	16,00,000	...
16,72,000	+4,22,000	—4,11,000	18,54,000	8,02,000	**22,45,000**	+9,95,000	+5,73,000	11,96,000	10,49,000
26,09,87,000	—1,81,45,000	12,58,22,000	8,78,33,000	3,80,19,000	**25,16,79,000**	—2,74,53,000	—93,08,000	27,96,000	24,88,83,000
12,33,000	+1,45,000	12,41,000	...	...	**12,41,000**	+1,53,000	+8,000	...	12,41,000
2,58,000	+1,42,000	8,76,000	33,000	14,000	**9,23,000**	+8,07,000	+6,65,000	8,72,000	51,000
14,91,000	+2,87,000	21,17,000	33,000	14,000	**21,64,000**	+9,60,000	+6,73,000	8,72,000	12,92,000
1,60,000	—56,000	1,21,000	...	...	**1,21,000**	—95,000	—39,000	1,21,000	...
63,60,000	—4,68,000	71,00,000	...	...	**71,00,000**	+2,72,000	+7,40,000	...	71,00,000
—46,30,000	—34,56,000	—1,12,31,000	17,70,000	7,66,000	**—87,45,000**	—75,71,000	—41,15,000	—87,45,000	...
—4,68,000	—1,49,000	—3,92,000	6,53,000	2,84,000	**5,45,000**	+8,64,000	+10,13,000	5,45,000	...
—50,98,000	—36,05,000	—1,16,73,000	24,23,000	10,50,000	**—82,00,000**	—67,07,000	—31,02,000	—82,00,000	...
34,16,05,000	—1,20,68,000	20,00,00,000	10,48,90,000	4,54,00,000	**35,02,90,000**	—33,83,000	+86,85,000	...	...
17,37,98,000	+1,39,92,000	*12,41,63,000*	*4,59,97,000*	*1,99,09,000*	***19,00,69,000***	—22,79,000	—1,62,71,000	...	...
12,33,000	—1,45,000	*12,41,000*	...	...	***12,41,000***	—1,53,000	—8,000	...	...
63,60,000	+4,68,000	*71,00,000*	...	...	***71,00,000***	—2,72,000	—7,40,000	...	...
3,74,90,000	+25,25,000	*4,46,08,000*	...	...	***4,46,08,000***	—45,93,000	—71,18,000	...	...
12,27,24,000	+47,72,000	2,28,88,000	5,88,93,000	2,54,91,000	**10,72,72,000**	—1,06,80,000	—1,54,52,000	21,06,000	10,51,66,000
3,09,65,000	—11,96,000	3,63,06,000	70,000	30,000	**3,64,06,000**	+42,45,000	+54,41,000	3,63,06,000	1,00,000
1,37,99,000	—82,45,000	99,31,000	2,06,88,000	89,54,000	**3,95,73,000**	+1,75,29,000	+2,57,74,000	...	3,95,73,000
16,74,88,000	—48,69,000	6,91,25,000	7,96,51,000	3,44,75,000	**18,32,51,000**	+1,10,94,000	+1,57,63,000	3,84,12,000	14,48,39,000
48,74,80,000	—2,42,86,000	24,62,52,000	17,11,82,000	7,40,93,000	**49,15,27,000**	—2,02,39,000	+40,47,000	8,32,99,000	40,82,28,000

(a) Represents only the interest portion of the annuities, the capital portion being included under the head "21—Reduction or Avoidance of Debt."
(b) Included under "21—Reduction or Avoidance of Debt."
(c) This amount, like other figures in this statement, is given in round thousands of Rupees. The amount actually voted by the Assembly is R100 less.

B.—Statement of the Expenditure charged to the Revenues

HEADS OF EXPENDITURE.	Accounts, 1922-23. India.	Accounts, 1922-23. *England.	Accounts, 1922-23. Exchange.	Accounts, 1922-23. Total.	Revised Estimate, India.	Revised Estimate, *England.	Revised Estimate, Exchange.
	R	R	R	R	R	R	R
Brought forward	23,76,76,789	15,82,55,800	8,30,35,105	**47,89,67,694**	24,10,46,000	16,94,23,000	7,70,11,000
Civil Administration—							
22.—General Administration—							
A.—Heads of Provinces (including Governor General) and Executive Councils					24,47,000	...	...
B.—Legislative Bodies					7,27,000	...	...
C.—Secretariat and headquarters establishment	1,26,83,295	...	...	**1,26,83,295**	67,74,000	...	...
D.—Commissioners					8,000	...	...
E.—District Administration					15,75,000	...	...
F.—Home Administration, etc.	...	51,07,680	26,26,147	**77,33,827**	...	32,39,000	14,72,000
23.—Audit	70,28,026	3,18,345	1,66,779	**75,13,150**	70,40,000	2,71,000	1,23,000
24.—Administration of Justice	9,99,342	73,088	38,316	**11,10,746**	12,70,000	82,000	37,000
25.—Jails and Convict Settlements	40,35,289	29,527	15,702	**40,80,518**	36,76,000	49,000	22,000
26.—Police	87,15,673	1,52,451	79,272	**89,47,395**	82,54,000	1,91,000	87,000
27.—Ports and Pilotage	20,12,187	1,55,432	83,749	**22,51,368**	21,60,000	1,19,000	54,000
28.—Ecclesiastical	25,65,461	2,66,376	1,40,438	**29,72,275**	25,93,000	2,78,000	1,26,000
29.—Political	2,94,71,976	5,86,237	3,10,466	**3,03,68,679**	3,04,10,000	3,89,000	1,77,000
30.—Scientific Departments	81,28,501	6,20,832	3,28,422	**90,77,755**	79,02,000	5,65,000	2,57,000
31.—Education	30,16,322	40,260	21,049	**30,77,631**	30,85,000	90,000	41,000
32.—Medical	25,64,110	4,43,132	2,29,735	**32,36,977**	23,89,000	3,43,000	1,56,000
33.—Public Health	15,29,878	47,633	25,241	**16,02,755**	15,22,000	65,000	30,000
34.—Agriculture	19,90,617	61,277	32,814	**20,84,708**	23,16,000	1,32,000	60,000
35.—Industries	11,033	15,579	7,996	**34,608**	21,000	41,000	19,000
36.—Aviation	46,009	1,104	599	**47,712**	22,000	1,000	...
37.—Miscellaneous Departments	20,77,928	3,51,308	1,79,405	**6,08,641**	19,48,000	15,03,000	6,84,000
Total	8,68,75,646	82,70,264	42,86,130	**9,94,32,040**	8,61,39,000	65,80,000	29,91,000
Currency, Mint and Exchange—							
38.—Currency	27,56,168	39,18,338	20,39,700	**87,14,206**	30,80,000	41,06,000	18,66,000
39.—Mint	15,12,179	54,206	29,140	**15,95,525**	14,06,000	51,000	23,000
Total	42,68,347	39,72,544	20,68,840	**1,03,09,731**	44,86,000	41,57,000	18,89,000
Civil Works—							
41.—Civil Works	1,32,97,744	1,19,926	63,370	**1,34,81,040**	1,59,32,000	1,23,000	56,000
Miscellaneous—							
43.—Famine Relief and Insurance—							
A.—Famine Relief	80,651	...	...	**80,651**	12,000	...	...
44.—Territorial and Political Pensions	27,37,834	1,15,633	60,260	**29,13,727**	28,53,000	1,24,000	56,000
45.—Superannuation Allowances and Pensions	37,66,423	2,11,47,540	1,11,30,499	**3,60,44,468**	13,12,000	2,03,55,000	92,52,000
46.—Stationery and Printing	40,42,494	14,24,492	7,48,184	**62,15,170**	38,63,000	18,79,000	8,54,000
47.—Miscellaneous	48,14,104	12,98,060	6,89,908	**68,02,072**	51,24,000	16,01,000	7,23,000
Total	1,54,41,512	2,39,85,725	1,26,28,851	**5,20,56,088**	1,31,64,000	2,39,59,000	1,08,90,000
Military Services—							
48.—Army—							
Effective	44,33,06,927	7,27,96,971	3,74,68,758	**55,35,72,656**	39,72,92,000	6,52,80,000	2,96,75,000
Non-effective	4,15,19,947	3,42,12,042	1,77,55,505	**9,34,87,494**	4,00,83,000	3,62,48,000	1,64,76,000
	48,48,26,874	10,70,09,013	5,52,24,263	**64,70,60,150**	43,73,75,000	10,15,28,000	4,61,49,000
49.—Marine	99,77,625	26,49,400	13,71,593	**1,39,98,618**	60,89,000	25,96,000	11,80,000
50.—Military Works	4,67,09,652	15,28,886	7,61,649	**4,90,00,187**	4,32,04,000	8,60,000	3,91,000
Total	54,15,14,151	11,11,87,299	5,73,57,505	**71,00,58,955**	48,66,68,000	10,49,84,000	4,77,20,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—							
52.—Miscellaneous adjustments between the Central and Provincial Governments	...	...	...	...	17,79,000	...	...
Total Expenditure charged to Revenue	89,90,74,189	30,57,91,558	15,94,39,801	**1,36,43,05,548**	84,92,14,000	30,92,26,000	14,05,57,000

*Sterling converted into Rupees at £1 = R10.

f the Central Government in India and in England—*continued.*

923-24.		Budget Estimate, 1924-25.							
Total.	Increase (+) Decrease (—) as compared with Budget, 1923-24.	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1923-24.	Increase (+) Decrease (—) as compared with Revised, 1923-24.	Distribution of Total between	
								Voted.	Non-voted.
R	R	R	R	R	R	R	R	R	R
48,74,80,000	−2,42,86,000	24,62,52,000	17,11,82,000	7,40,93,000	**49,15,27,000**	−2,02,39,000	+ 40,47,000	8,32,99,000	40,82,28,000
24,47,000	+ 12,000	24,03,000	...	...	**24,02,000**	—33,000	—45,000		
7,27,000	—1,81,000	7,42,000	...	...	**7,42,000**	—1,66,000	+15,000		
67,74,000	+ 2,29,000	71,38,000	...	...	**71,38,000**	+ 5,93,000	+3,64,000	99,05,000	65,58,000
8,000	—6,000	8,000	...	...	**8,000**	—6,000	...		
15,75,000	—94,000	15,47,000	...	...	**15,47,000**	—1,22,000	—28,000		
47,11,000	+ 5,72,000	...	32,29,000	13,97,000	**46,26,000**	+ 4,87,000	— 85,000		
74,34,000	— 5,06,000	80,83,000	2,79,000	1,21,000	**84,83,000**	+ 5,43,000	+ 10,49,000	77,65,000	7,18,000
13,89,000	+2,17,000	11,32,000	82,000	36,000	**12,50,000**	+ 78,000	— 1,39,000	9,14,000	3,36,000
37,47,000	—2,62,000	39,12,000	47,000	20,000	**39,79,000**	—30,000	+ 2,32,000	37,49,000	2,30,000
85,32,000	—1,48,000	86,10,000	1,86,000	81,000	**88,77,000**	+1,97,000	+ 3,45,000	78,78,000	9,99,000
23,33,000	—1,79,000	22,86,000	1,75,000	76,000	**25,37,000**	+25,000	+ 2,04,000	12,74,000	12,63,000
29,97,000	—2,86,000	29,34,000	2,77,000	1,20,000	**33,31,000**	+48,000	+ 3,34,000	...	33,31,000
2,98,44,000	—16,47,000	3,15,73,000	4,67,000	2,02,000	**3,22,42,000**	+ 7,51,000	+ 23,98,000	...	3,22,42,000
87,24,000	—1,69,000	70,37,000	6,25,000	2,71,000	**79,33,000**	— 9,60,000	—7,91,000	61,08,000	18,25,000
32,16,000	...	30,53,000	75,000	32,000	**31,60,000**	—56,000	— 56000	26,40,000	5,20,000
28,88,000	+ 1,08,000	24,15,000	3,32,000	1,44,000	**28,91,000**	+ 1,11,000	+3,000	18,32,000	10,59,000
16,17,000	—53,000	12,78,000	66,000	29,000	**13,73,000**	—2,97,000	—2,44,000	5,44,000	8,29,000
25,08,000	+ 4,27,000	25,20,000	99,000	43,000	**26,62,000**	+ 5,81,000	+ 1,54,000	21,74,000	4,88,000
81,000	+ 5,000	11,000	49,000	21,000	**81,000**	+ 5,000	...	61,000	20,000
23,000	—1,000	21,000	1,000	...	**22,000**	— 2,000	—1,000	20,000	2,000
41,35,000	—1,57,000	20,05,000	5,16,000	2,23,000	**27,44,000**	—15,48,000	—13,91,000	23,70,000	3,74,000
9,57,10,000	—21,19,000	8,87,07,000	65,05,000	28,16,000	**9,80,28,000**	+ 1,99,000	+ 23,18,000	4,72,34,000	5,07,94,000
90,52,000	—4,37,000	29,98,000	21,97,000	9,51,000	**61,46,000**	—33,43,000	—29,06,000	59,58,000	1,88,000
14,80,000	—3,42,000	14,88,000	68,000	29,000	**15,85,000**	—2,37,000	+ 1,05,000	14,31,000	1,54,000
1,05,32,000	—7,79,000	44,86,000	22,65,000	9,80,000	**77,31,000**	—35,80,000	—28,01,000	73,89,000	3,42,000
1,61,11,000	—15,52,000	2,04,75,000	1,22,000	53,000	**2,06,50,000**	+ 29,87,000	+ 45,39,000	1,39,69,000	66,81,000
12,000	+7,000	14,000	...	...	**14,000**	+ 9,000	+ 2,000	14,000	...
30,33,000	+47,000	28,29,000	1,15,000	50,000	**29,94,000**	+ 8,000	—39,000	...	29,94,000
3,09,19,000	— 37,43,000	14,38,000	1,98,54,000	85,93,000	**2,98,85,000**	—47,77,000	—10,34,000	40,86,000	2,57,99,000
65,96,000	+ 5,96,000	41,08,000	7,06,000	3,06,000	**51,20,000**	—8,80,000	—14,76,000	50,24,000	96,000
74,53,000	—4,33,000	75,50,000	23,10,000	10,00,000	**1,08,60,000**	+ 29,74,000	+ 34,07,000	78,49,000	30,11,000
4,80,13,000	—35,26,000	1,59,39,000	2,29,85,000	99,49,000	**4,88,73,000**	- 26,66,000	+ 8,60,000	1,69,73,000	3,19,00,000
49,22,45,000	—1,57,94,000	39,21,30,000	6,65,17,000	2,87,90,000	**48,74,37,000**	—2,06,02,000	—48,08,000	...	48,74,37,000
9,28,07,000	+ 23,50,000	3,76,67,000	3,74,82,000	1,62,24,000	**9,13,73,000**	+ 9,16,000	—14,34,000	...	9,13,73,000
58,50,52,000	—1,34,44,000	42,97,97,000	10,39,99,000	4,50,14,000	**57,88,10,000**	—1,96,86,000	— 62,42,000	...	57,88,10,000
98,65,000	+ 2,29,000	55,97,000	24,92,000	10,79,000	**91,68,000**	—4,68,000	—6,97,000	...	91,68,000
4,44,55,000	+ 21,00,000	4,13,53,000	4,78,000	2,07,000	**4,20,38,000**	— 3,17,000	— 24,17,000	...	4,20,38,000
63,93,72,000	—1,11,15,000	47,67,47,000	10,69,69,000	4,63,00,000	**63,00,16,000**	— 2,04,71,000	— 93,56,000	...	63,00,16,000
17,79,000	+ 14,17,000	22,65,000	...	...	**22,65,000**	+ 19,03,000	+4,86,000	22,65,000	...
1,29,89,97,000	—4,19,60,000	85,48,71,000	31,00,28,000	13,41,91,000	**1,29,90,90,000**	—4,18,67,000	+ 93,000	17,11,29,000	1,12,79,61,000

C.—Statement of Receipts and Disbursements of the

	Accounts, 1922-23.			Revised Estimate, 1923-24.			Budget Estimate, 1924-25.		
	India.	*England.	Total.	India.	*England.	Total.	India.	*England.	Total.
	R	R	R	R	R	R	R	R	R
Revenue (from Statement A)	1,18,93,75,017	1,62,26,595	1,20,56,01,612	1,25,52,76,000	4,42,25,000	1,29,95,01,000	1,26,17,16,000	2,73,73,000	1,28,90,89,000
Exchange added to Revenue	85,27,544	...	85,27,544	2,01,03,000	...	2,01,03,000	1,18,48,000	...	1,18,48,000
Total	1,19,79,02,561	1,62,26,595	1,21,41,29,156	1,27,53,79,000	4,42,25,000	1,31,96,04,000	1,27,35,64,000	2,73,73,000	1,30,09,37,000
Excess of Revenue over Expenditure charged to Revenue			**−15,01,76,392**			**2,06,07,000**			**18,47,000**
Railway Capital not charged to Revenue—									
Capital contributed by Railway Companies and Indian States towards outlay on State Railways	10,41,557	17,85,000	28,26,557	...	...	...	24,24,000	56,00,000	80,24,000
Public Debt Incurred—									
Permanent Debt—									
Sterling Debt—									
Debenture stock of East Indian Railway Company taken over by the Secretary of State	...	...		...	...		...	18,50,00,000	
5½ per cent. Stock	...	14,55,03,954		...	9,29,000		...	9,87,000	
4½ per cent. Stock	...	17,00,00,000		...	18,06,54,000		...	8,68,000	
Rupee Debt –									
New Rupee Loan	...	...		...	...		20,00,00,000	...	
6 per cent Bonds, 1932	19,49,00,000	...		...	...		...	...	
6 per cent. Bonds, 1926	1,500	...		...	...		...	...	
6 per cent. Bonds, 1927	27,38,19,300	...		2,000	...		...	...	
5½ per cent. War Bonds 1921	100	...		...	...		...	...	
5 per cent. Loan, 1945-55	...	...		9,79,77,000	...		...	...	
5 per cent. Bonds, 1933	...	...		14,17,70,000	...		...	...	
3½ per cent. Loans	...	...		12,00,000	...		6,00,000	...	
Total	46,87,20,900	31,55,08,954	78,42,29,854	24,09,49,000	18,15,83,000	42,25,32,000	20,06,00,000	18,68,55,000	38,74,55,000
Net			**66,22,99,053**			**37,21,89,000**			**36,85,62,000**
Floating Debt—									
Treasury Bills—									
Issued to Public	46,19,10,000	...		6,63,00,000	...		...	...	
Issued to Paper Currency Reserve	49,65,00,000	...		55,25,00,000	...		55,25,00,000	...	
Other Floating Loans	...	...		5,00,00,000	...		...	...	
Total	95,84,10,000	...	95,84,10,000	66,88,00,000	...	66,88,00,000	55,25,00,000	...	55,25,00,000
Net			**0**			**0**			**0**
Unfunded Debt—									
Deposits of Service Funds	15,83,523	20,102		14,51,000	10,92,000		14,20,000	1,62,000	
Post Office Cash Certificates	70,00,093	...		6,88,00,000	...		3,00,00,000	...	
Savings Bank Deposits	24,28,22,723	1,94,702		26,13,35,000	1,40,000		27,74,42,000	1,20,000	
Total	25,14,06,339	2,14,804	25,16,21,143	33,15,86,000	12,32,000	33,28,18,000	30,88,62,000	2,82,000	30,91,44,000
Net			**2,96,51,483**			**10,52,36,000**			**7,51,45,000**
Deposits and Advances—									
Appropriation for Reduction or Avoidance of Debt	...	...		...	...		11,00,000	...	
Deposits of Local Funds—									
District Funds	11,90,75,383	...		12,25,19,000	...		12,05,85,000	...	
Other Funds	8,20,49,830	...		8,11,35,000	...		8,26,75,000	...	
Deposits of Branch Line Companies	3,25,196	...		8,54,000	...		9,97,000	...	
Sinking Funds for Central Loans	1,54,00,000	...		73,61,000	...		88,31,000	...	
Other Sinking Fund Deposits	3,12,583	...		3,25,000	...		3,38,000	...	
Gold Standard Reserve	...	1,47,88,92,023		...	1,22,67,92,000		...	1,03,90,72,000	
Paper Currency Reserve	2,12,47,911	24,19,85,356		2,97,72,000	42,25,37,000		...	45,98,58,000	
Departmental and Judicial Deposits	80,73,52,914	...		74,63,48,000	...		74,15,09,000	...	
Advances	13,17,50,326	1,25,73,370		20,66,37,000	77,00,000		18,58,20,000	6,68,000	
Discount Sinking Fund	...	...		...	...		4,40,000	...	
Suspense Accounts	95,49,987	2,47,54,928		1,98,35,000	1,69,60,000		1,03,41,000	1,95,86,000	
Exchange on Remittance Accounts	16,95,17,740	...		3,32,27,000	...		13,97,35,000	...	
Miscellaneous	11,24,25,997	72,20,111		39,80,000	43,27,000		1,25,14,000	45,29,000	
Total	1,46,90,07,867	1,76,54,25,788	3,23,44,33,655	1,25,19,93,000	1,67,93,16,000	2,93,03,09,000	1,30,48,85,000	1,52,37,13,000	2,82,85,98,000
Net			**17,32,38,542**			**4,89,88,000**			**15,42,67,000**
Carried over	4,34,64,89,224	2,09,91,61,141		3,76,87,07,000	1,90,53,56,000		3,64,28,35,000	1,74,38,23,000	

* Sterling converted into Rupees at £1=Rs. 10.

Central Government, in India and in England.

	Accounts, 1922-23.			Revised Estimate, 1923-24.			Budget Estimate, 1924-25.		
	India.	* England.	Total.	India.	* England.	Total.	India.	* England.	Total.
	R	R	R	R	R	R	R	R	R
Expenditure (from Statement B)	89,90,74,189	30,57,91,558	1,20,48,65,747	84,92,14,000	30,92,26,000	1,15,84,40,000	85,48,71,000	31,00,28,000	1,16,48,99,000
Exchange charged as Expenditure	15,94,39,801	..	15,94,39,801	14,05,57,000	...	14,05,57,000	13,41,91,000	...	13,41,91,000
Total	1,05,85,13,990	0,57,91,558	1,36,43,05,548	98,97,71,000	30,92,26,000	1,29,89,97,000	98,90,62,000	31,00,28,000	1,29,90,90,000
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—									
Construction of State Railways	8,56,60,812	9,86,81,493	18,43,42,305	12,83,12,000	10,77,52,000	23,60,64,000	18,43,16,000	11,56,84,000	(a) 30,00,00,000
Redemption of Liabilities involved in the purchase of Railways	...	...	...	...	...	...	8,57,03,000	18,50,00,000	27,07,03,000
Payments for discharge of debentures	23,34,021	40,00,000	63,34,021	32,52,000	71,55,000	1,04,07,000	43,76,000	1,01,10,000	1,44,86,000
Construction of Irrigation Works	2,24,273	946	2,25,219	5,000	2,000	7,000	...	...	...
Capital outlay on Indian Postal and Telegraph Department	65,62,006	...	65,62,006	96,65,000	...	96,65,000	1,73,95,000	...	(b) 1,73,95,000
Initial expenditure on new Capital at Delhi	1,66,89,065	17,90,367	1,84,79,432	1,74,69,000	7,31,000	1,82,00,000	1,41,62,000	5,38,000	(c) 1,47,00,000
Public Debt Discharged—									
Permanent Debt—									
Rupee Debt—									
5½ p. c. War Bonds, 1920	12,06,675	...		4,00,000	...		3,00,000	...	
Do. Do. 1921	34,07,950	...		6,00,000	...		4,00,000	...	
Do. Do. 1922	7,41,03,400	...		26,00,000	...		4,00,000	...	
Do. Do. 1923	8,00,500	...		1,40,00,000	...		15,00,000	...	
Do. Do. 1925	...	...		1,000	...		...	...	
Do. Do. 1928	....	...		32,000	...		...	...	
5 p. c. War Loan, 1929-47	54,39,500	...		41,07,000	...		48,93,000	...	
5 p. c. Loan, 1945-55	1,37,23,800	...		...	...		85,00,000	...	
4 p. c. Loans	2,31,67,300	...		2,72,00,000	...		22,00,000	...	
3½ p. c. Loans	3,076	...		3,000	...		...	...	
3 p. c. Loan	78,400	...		14,00,000	...		7,00,000	...	
Provincial Debenture Loans	200	...		...	...		...	...	
Total	12,19,30,801	...	12,19,30,801	5,03,43,000	...	5,03,43,000	1,88,93,000	...	1,88,93,000
Net			0			0			0
Floating Debt—									
Treasury Bills—									
Issued to Public	78,56,90,000	...		26,09,00,000	...		2,13,00,000	...	
Do. Paper Currency Reserve	57,89,00,000	...		55,25,00,000	...		55,25,00,000	...	
Other Floating Loans	...	...		5,00,00,000	...		...		
Total	1,36,45,90,000	...	1,36,45,90,000	86,34,00,000	...	86,34,00,000	57,38,00,000	...	57,38,00,000
Net			40,61,80,000			19,46,00,000			2,13,00,000
Unfunded Debt—									
Special Loans	30,387	...		30,000	...		30,000	...	
Deposits of Service Funds	15,21,881	1,35,978		15,29,000	3,00,000		15,40,000	20.000	
Post Office Cash Certificates	1,91,46,822	...		1,62,00,000	...		1,50,00,000	...	
Savings Bank Deposits	20,10,57,865	76,732		20,94,53,000	70,000		21,73,59,000	50,000	
Total	22,17,56,955	2,12,705	22,19,69,660	22,72,12,000	3,70,000	22,75,82,000	23,39,29,000	70,000	23,39,99,000
Net			0			0			0
Deposits and Advances—									
Deposits of Local Funds—									
District Funds	11,97,70,540	...		12,46,95,000	...		12,14,21,000	...	
Other Funds	7,87,78,969	...		8,20,04,000	...		8,22,71,000	...	
Deposits of Branch Line Companies	6,69,132	...		10,05,000	...		8,89,000	...	
Sinking Funds for Central Loans	1,70,22,478	...		37,80,000	...		1,24,14,000	...	
Gold Standard Reserve	...	1,47,88,73,193		...	1,22,67,92,000		...	1,03,90,72,000	
Paper Currency Reserve	8,16 02,454	24,19,85,356		...	42,25,37,000		...	45,98,58,000	
Departmental and Judicial Deposits	81,00,39,586	...		76,22,16,000	...		73,69 17,000	...	
Advances	13,82,61,673	1,24,75,892		18,82,33,000	94,93,000		18,23,56,000	14,01,000	
Discount Sinking Fund	...	...		81,72,000	...		...	...	
Suspense Accounts	4,99,45,779	1,99,91,723		1,49,36,000	1,69,60,000		95,90,000	1,95,86,000	
Miscellaneous	96,09,352	71,69,186		...	2,04,98,000		...	85,56,000	
Total	1,29,56,99,763	1,76,04,95,350	3,05,61,95,113	1,18,50,41,000	1,69,62,80,000	2,88,13,21,000	1,14,58,58,000	1,52,84,73,000	2,67,43,31,000
Net			0			0			
Carried over	4,17,39,61,686	2,17,09,72,419		3,47,44,70,000	2,12,15,16,000		3,26,74,94,000	2,14,99,03,000	

(a) Of this amount, R2,39,000 is non-voted and the balance of R29,97,61,000 is voted.
(b) The whole of this amount is voted.
(c) Of this amount, R4,03,000 is non-voted and the balance of R1,42,97,000 is voted.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1922-23.			Revised Estimate, 1923-24.			Budget Estimate, 1924-25.		
	India.	* England.	Total.	India.	* England.	Total.	India.	* England.	Total.
	R	R	R	R	R	R	R	R	R
Brought forward	4,34,64,89,224	2,09,91,61,141		3,76,87,07,000	1,90,53,56,000		3,64,28,35,000	1,74,38,23,000	
Loans and Advances by the Central Government	32,49,831	...	32,49,831	35,19,000	...	35,19,000	28,71,000	...	28,71,00
Net			**20,42,338**			**20,44,000**			**6,70,00**
Loans between Central and Provincial Governments	1,17,68,164	...	1,17,68,164	98,35,000	...	98,35,000	1,20,63,000	...	1,20,63,00
Net			**0**			**0**			
Remittances—									
Remittances within India—									
Inland Money Orders	83,46,21,008	...		85,00,00,000	...		86,00,00,000	...	
Other Local Remittances	8,16,130	...		6,70,000	...		2,76,000	...	
Other Departmental Accounts	4,38,401	...		5,03,89,000	...		5,01,21,000	...	
Net Receipts by Civil Treasuries from—									
Railways	14,60,58,900	...		14,81,69,000	...		15,40,85,000		
Posts and Telegraphs	...	...		4,09,16,000	...		...	...	
Net Receipts from Civil Treasuries by—									
Posts and Telegraphs	2,44,87,728	...		...	...		4,62,000	...	
Marine	1,06,67,970	...		59,85,000	...		59,90,000	...	
Army and Military Works	49,33,06,251	...		45,30,31,000	...		40,74,99,000	...	
Remittances between England and India—									
Remittance Account—									
Iraq drawings	2,500	2,69,82,066		...	2,42,70,000		...	2,56,00,000	
Sale of gold	...	...		...	2,00,00,000		...	...	
Other transactions	7,87,49,313	6,88,01,117		1,39,74,000	5,08,30,000		50,74,000	2,91,80,000	
Remittances from India for financing Home Treasury	...	4,76,62,361		...	22,51,60,000		...	26,00,00,000	
Transfers through the Paper Currency Reserve	2,15,370	...		14,00,00,000	5,84,77,000		...	10,00,00,000	
Total	1,58,93,63,571	14,34,45,544	1,73,28,09,115	1,70,31,34,000	37,87,37,000	2,08,18,71,000	1,48,35,07,000	41,47,80,000	1,89,82,87,00
Net			**37,92,494**			**0**			**1,38,00**
Balances of Provincial Governments	2,01,16,997	...	2,01,16,997	7,14,00,000	...	7,14,00,000	4,47,000	...	4,47,00
Net			**6,34,730**			**5,03,81,000**			
Total Receipts	5,97,09,87,787	2,24,26,06,685 (a)		5,55,65,95,000	2,28,40,93,000 (b)		5,14,17,28,000	2,15,86,03,000 (b)	
Opening Balance	25,66,13,170	8,99,53,817		25,95,80,424	9,82,19,688		29,77,01,424	7,63,05,688	
GRAND TOTAL	6,22,76,00,957	2,33,25,60,502		5,81,61,75,424	2,38,23,12,688		5,43,94,24,424	2,23,49,08,688	

* Sterling converted into Rupees at £1 = Rs. 10.

(a) Of this amount, Rs. 17,753 represents the funds of the Gold Standard Reserve.

(b) Of this amount, Rs. 36,584 represents the funds of the Gold Standard Reserve.

DELHI,
FINANCE DEPARTMENT,
The 28th March 1924.

M. F. GAUNTLETT,
Auditor General.

Central Government, in India and in England—*continued.*

	Accounts, 1922-23.			Revised Estimate, 1923-24.			Budget Estimate, 1924-25.		
	India.	*England.	Total.	India.	*England.	Total.	India.	*England.	Total.
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Brought forward	4,17,39,61,686	2,17,09,72,419		3,47,44,70,000	2,12,15,16,000		3,26,74,94,000	2,14,99,03,000	
Loans and Advances by the Central Government	12,07,493	...	12,07,493	14,75,000	...	14,75,000	22,01,000	...	22,01,000
Net			0			0			0
Loans between Central and Provincial Governments	10,77,20,861	...	10,77,20,861	12,30,61,000	...	12,30,61,000	13,93,25,000	...	13,93,25,000
Net			9,59,52,697			11,32,26,000			12,72,62,000
Remittances—									
Remittances within India—									
Inland Money Orders	83,55,79,888			85,05,00,000	...		86,00,00,000	...	
Other Local Remittances	...			6,69,000	...		6,54,000	...	
Other Departmental Accounts	1,15,300			5,00,62,000	...		5,00,00,000	...	
Net Payments into Civil Treasuries by—									
Railways	13,65,33,804			15,51,69,000	...		15,40,85,000	...	
Posts and Telegraphs				4,09,16,000	...		...	...	
Net Issues from Civil Treasuries to									
Posts and Telegraphs	2,43,79,791			...	...		4,62,000	...	
Marine	1,06,58,347			59,85,000	...		59,90,000	...	
Army and Military Works	49,46,89,480			45,30,31,000	...		40,74,99,000	...	
Remittances between England and India—									
Remittance Account—									
Iraq drawings	2,63,85,360	..		2,42,70,000	...		2,56,00,000	...	
Sale of gold	...	...		2,00,00,000	...		...	...	
Other transactions	10,89,16,250	4,38,80,670		3,52,29,000	2,34,72,000		2,73,78,000	64,81,000	
Remittances from India for financing Home Treasury	4,76,62,361	...		22,51,60,000	...		26,00,00,000	...	
Transfers through the Paper Currency Reserve	2,09,912	5,458		5,84,77,000	14,00,00,000		10,00,00,000	...	
Total	1,68,51,30,493	4,38,86,128	1,72,90,16,621	1,91,94,68,000	16,34,72,000	2,08,29,40,000	1,89,16,68,000	64,81,000	1,89,81,49,000
Net			0			10,69,000			0
Balances of Provincial Governments	...	1,94,82,267	1,94,82,267	...	2,10,19,000	2,10,19,000	...	3,04,70,000	3,04,70,000
Net			0			0			3,09,23,000
Total Disbursements	5,96,80,20,533	2,23,43,40,814		5,51,84,74,000	2,30,60,07,000		5,30,06,88,000	2,18,68,54,000	
Closing Balance	25,95,80,424	(b) 9,82,19,688		29,77,01,424	(b) 7,63,05,688		13,87,36,424	(b) 4,80,54,688	
GRAND TOTAL	6,22,76,00,957	2,33,25,60,502		5,81,61,75,424	2,38,23,12,688		5,43,94,24,424	2,23,49,08,688	

A. V. V. AIYAR,
Offg. Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

D.—Abstract Statement of the Receipts and Disbursements of the Central Government in India and in England.

REVENUE AND EXPENDITURE.		Accounts, 1922-23.				Revised Estimate, 1923-24.		Budget Estimate, 1924-25.	
		Revenue.	Expenditure.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
		R	R	R	R	R	R	R	R
Principal Heads of Revenue	Customs	41,34,65,362	70,62,000	40,64,03,362		39,69,60,000		44,19,59,000	
	Taxes on Income	17,99,41,150	44,56,136	17,54,85,014		18,42,47,000		17,56,78,000	
	Salt	6,82,46,112	1,51,36,147	5,31,09,965		7,27,62,000		7,59,27,000	
	Opium	3,78,92,068	1,86,60,643	1,92,31,425		1,72,21,000		2,24,52,000	
	Other Heads	2,34,00,268	68,90,054	1,65,10,214		2,11,34,000		1,70,05,000	
	Total	72,29,44,960	5,22,04,980	67,07,39,980	...	69,23,24,000	...	73,30,21,000	...
Commercial Services	Railways	26,82,98,476	25,60,99,247	1,21,99,229	...	6,28,00,000	...	4,58,14,000	...
	Irrigation	10,90,752	13,75,391	...	2,84,639	...	5,31,000	...	10,38,00
	Posts and Telegraphs	1,22,29,448	76,98,536	45,30,912	...	72,32,000	...	1,18,41,000	...
Debt Services	Interest	1,15,70,696	16,15,89,540	...	15,00,18,844	...	13,50,63,000	...	15,15,26,
Civil Administration	Civil Administration	44,34,528	9,94,32,040	...	9,49,97,512	...	8,89,61,000	...	9,08,27,00
Currency, Mint and Exchange	Currency	3,35,08,720	87,14,206	2,47,94,514	...	2,04,05,000	...	2,85,93,000	...
	Mint	26,94,411	15,95,525	10,98,886	...	...	1,69,000	62,000	...
Civil Works	Civil Works	14,38,067	1,34,81,040	...	1,20,42,973	...	1,47,92,000	...	1,94,14,00
Miscellaneous Civil Services	Famine Relief	...	80,651	...	80,651	...	12,000	...	14,00
	Superannuation	28,50,509	3,60,44,468	...	3,31,93,959	...	2,83,91,000	...	2,74,10,00
	Miscellaneous	16,76,985	68,02,072	...	51,25,087	2,09,83,000	...	...	74,50,00
	Other Heads	17,19,131	91,28,897	...	74,09,766	...	82,49,000	...	72,51,00
Military Services	Army—Effective	4,49,71,920	55,35,72,656	...	50,86,00,736	...	46,30,75,000	...	46,60,31,00
	Army—Non-effective	34,00,973	9,34,87,494	...	9,00,86,521	...	9,00,46,000	...	8,88,41,00
	Marine	32,72,538	1,39,98,618	...	1,07,26,080	...	68,66,000	...	76,76,00
	Military Works	57,33,434	4,90,00,187	...	4,32,66,753	...	3,74,32,000	...	3,99,52,00
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments		9,22,93,608	...	9,22,93,608	...	9,04,50,000	...	8,99,46,000	...
	Total	1,21,41,29,156	1,36,43,05,548	80,56,57,129	95,58,33,521	89,41,94,000	87,35,87,000	90,92,77,000	90,74,30,00
	Surplus			...		2,06,07,000		18,47,000	
	Deficit			15,01,76,392		...		...	
Capital Account	Surplus			...	...	2,06,07,000	...	18,47,000	...
	Deficit			...	15,01,76,392	...	...	...	...
	Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue:— Capital contributed by Railway Companies and Indian States towards construction of State Railways			28,26,557	...	...	...	80,24,000	...
	Construction of Irrigation Works			...	2,25,219	...	7,000	...	...
	Construction of State Railways			...	18,43,42,305	...	23,60,64,000	...	30,00,00,00
	Capital outlay on Indian Postal and Telegraph Department			...	65,62,006	...	96,65,000	...	1,73,95,00
	Initial expenditure on new Capital at Delhi			...	1,84,79,432	...	1,82,00,000	...	1,47,00,00
	Payments for discharge of Debentures			...	63,34,021	...	1,04,07,000	...	1,44,86,00
	Redemption of Liabilities involved in the purchase of Railways			...	...	...	...	...	27,07,03,00
Debt, Deposits, Advances and Remittances	Permanent Debt (net)			66,22,99,053	...	37,21,89,000	...	36,85,62,000	...
	Floating Debt (net)			...	40,61,80,000	...	19,46,00,000	...	2,13,00,00
	Unfunded Debt (net)			2,06,51,483	...	10,52,36,000	...	7,51,45,000	...
	Loans and Advances by Central Government (net)			20,42,338	...	20,44,000	...	6,70,000	...
	Loans between Central and Provincial Governments (net)			...	9,59,52,697	...	11,32,26,000	...	12,72,62,00
	Deposits and Advances (net)			17,82,38,542	...	4,89,88,000	...	15,42,67,000	...
	Remittances (net)			37,92,494	...	...	10,69,000	1,38,000	...
	Balances of Provincial Governments (net)			6,34,730	...	5,03,81,000	...	...	3,00,23,00
Cash Balance	Opening Balance			34,65,66,987	...	35,78,00,112	...	37,40,07,112	...
	Closing Balance			...	35,78,00,112	...	37,40,07,112	...	18,67,91,11
	Total			1,22,60,52,184	1,22,60,52,184	95,72,45,112	95,72,45,112	98,26,60,112	98,26,60,11

M. F. GAUNTLETT,
Auditor General.

A. V. V. AIYAR,
Offg. Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT,
The 28th March 1924.

NOTES EXPLAINING THE DETAILS UNDER CERTAIN HEADS OF THE ESTIMATES.

General results.

The broad totals of revenue and expenditure for the last year, the current year and the ensuing year, are as follows :—

		Actuals, 1922-23. ₹
Revenue		1,21,41,29,156
Expenditure charged to Revenue		1,36,43,05,548
	Deficit	15,01,76,392
		Revised, 1923-24. ₹
Revenue		1,31,96,04,000
Expenditure charged to Revenue		1,29,89,97,000
	Surplus	2,06,07,000
		Budget, 1924-25. ₹
Revenue		1,30,09,37,000
Expenditure charged to Revenue		1,29,90,90,000
	Surplus	18,47,000

These figures exclude all capital, debt and remittance transactions.

Actuals, 1922-23.

2. The following table compares the Revised estimates of revenue and expenditure as framed twelve months ago, and the actual accounts of the year as closed, audited and compiled by the Auditor General :—

	Revenue. ₹	Expenditure. ₹	Deficit. ₹
Revised, 1922-23	1,20,70,17,000	1,37,95,52,000	17,25,35,000
Actuals, 1922-23	1,21,41,29,156	1,36,43,05,548	15,01,76,392

The actual deficit was less than the Revised estimate by ₹2,23,58,608. There was a decrease of ₹1,81,98,000 in Military expenditure owing mainly to the non-utilisation of a provision of £800,000 included in the Revised estimate for payment to the War Office in respect of the Indian share of the cost of disbandment of surplus troops. A decline of ₹95 lakhs in Customs revenue was more than set off by an improvement in the net receipts from Railways (₹1,01 lakhs).

Revised, 1923-24.

3. The Revised estimates of ordinary revenue and expenditure for 1923-24 are as follows :—

	(In thousands of rupees.)
Revenue	1,29,52,41
Expenditure charged to Revenue	1,29,89,97
Deficit of ordinary revenue	37,56

A sum of £3,250,000 representing the profits from the control of enemy ships which has been lying at credit of a suspense head is, however, available for credit to revenue. Out of this windfall, a sum of ₹2 crores has been reserved for refund to railway companies of customs duty on stores collected from them under protest prior to the Bombay High Court's decision declaring such stores to fall within the definition of Government Stores, in the event of the appeal which has been preferred against the decision being unfavourable to Government. A credit of ₹25 lakhs out of the windfall has also been included in the Budget estimates for 1924-25 in order to meet the payment of *ex gratia* compensation to individuals who have suffered from enemy action during the war. The amount required for these two purposes at the rate of exchange of 1*s.* 4$\frac{3}{4}$*d.* adopted for the Budget for next year is £1,575,000, leaving £1,675,000 (equivalent at 1*s.* 4$\frac{1}{2}$*d.*, the average rate of exchange for the current year, to ₹2,43·63 lakhs) available for credit to revenue in the current year. If account is taken of this credit, the deficit of ₹37,56,000 is converted into a surplus of ₹2,06,07,000.

Budget, 1924-25.

4. The surplus of ₹18·47 lakhs shown in the Budget estimates for 1924-25 is arrived at after providing for salt duty at ₹1-4 a maund.

5. The details of certain heads of the estimates are explained in the following pages. The Railway estimates are explained in a separate memorandum.

I AND 1.—CUSTOMS.

SEA CUSTOMS.	Actuals, 1920-1921.	Actuals, 1921-1922.	Actuals, 1922-1923.	1923-1924.		Budget, 1924-1925.
				Budget.	Revised.	
IMPORTS.						
Special Import Duties.	R	R	R	R	R	R
1. Liquors—						
(a) Ale, Beer, Porter, Cider and other fermented Liquors	8,89,000	11,44,000	13,49,000	14,30,000	13,75,000	14,40,000
(b) Spirits and Liqueurs	1,70,16,000	1,91,71,000	2,10,19,000	2,26,00,000	2,09,00,000	2,22,00,000
(c) Wines	9,01,000	12,58,000	10,78,000	12,00,000	11,40,000	12,00,000
2. Sugar, all sorts	1,09,17,000	6,50,69,000	4,40,95,000	5,00,00,000	3,85,00,000	4,55,00,000
3. Tobacco	1,31,26,000	1,01,36,000	1,54,76,000	1,60,00,000	1,65,00,000	1,75,00,000
4. Coal, coke and patent fuel	46,000	7,59,000	4,80,000	5,50,000	2,90,000	3,00,000
5. Mineral oils	77,34,000	80,97,000	1,10,89,000	1,25,00,000	1,35,00,000	1,45,00,000
6. Arms, Ammunition and Military Stores	6,15,000	7,51,000	8,27,000	9,00,000	8,10,000	8,40,000
7. Opium	3,000	2,000	2,000	3,000	4,000	3,000
8. Cotton yarn and thread	...	...	48,86,000	55,00,000	41,60,000	48,00,000
9. Cotton piecegoods	6,41,19,000	4,66,61,000	6,39,03,000	6,85,00,000	6,12,00,000	6,60,00,000
10. Matches	16,57,000	1,03,84,000	1,53,63,000	1,60,00,000	1,47,00,000	1,67,00,000
Duty at 2½ per cent.						
11. Machinery	52,67,000	1,15,95,000	63,33,000	69,00,000	58,50,000	67,00,000
12. Other articles	4,32,000	2,66,000	2,00,000	2,00,000	2,10,000	2,15,000
Duty at 10 per cent.						
13. Metals—Iron and Steel	66,90,000	67,75,000	1,84,08,000	2,00,00,000	1,71,00,000	1,80,00,000
14. Railway plant and rolling stock	33,91,000	53,32,000	1,07,02,000	1,10,00,000	64,00,000	1,30,00,000
15. Other articles	35,000	1,79,000	2,89,000	2,01,000	6,50,000	4,62,000
Duty at 15 per cent.						
16. Articles of Food and Drink (excluding sugar and vinegar)	63,69,000	83,00,000	1,22,54,000	1,45,00,000	1,27,00,000	1,40,00,000
17. Raw materials and articles mainly unmanufactured	38,23,000	42,15,000	74,71,000	68,00,000	63,50,000	71,35,000
18. Articles wholly or mainly manufactured—						
(a) Cutlery, hardware, implements and instruments	1,28,57,000	1,27,24,000	1,33,40,000	1,48,50,000	1,14,00,000	1,35,00,000
(b) Metals other than Iron and Steel	69,92,000	61,55,000	1,07,34,000	1,21,00,000	92,50,000	1,00,00,000
(c) Yarns and textile fabrics (other than cotton manufactures)	1,05,42,000	55,03,000	75,88,000	78,00,000	1,05,00,000	1,20,00,000
(d) All other articles wholly or mainly manufactured	4,30,93,000	2,71,06,000	3,78,69,000	4,00,00,000	3,70,00,000	4,00,00,000
19. Miscellaneous	72,64,000	70,75,000	53,74,000	60,00,000	52,10,000	60,00,000
Duty at 30 per cent.						
20. Motor cars and cycles	...	51,50,000	56,08,000	70,00,000	77,00,000	80,00,000
21. Silk piece-goods and other manufactures of silk	49,17,000	51,60,000	80,62,000	85,00,000	77,00,000	80,00,000
22. Pneumatic rubber tyres and tubes	...	21,85,000	32,42,000	37,50,000	31,00,000	33,00,000
23. Other articles	29,40,000	58,67,000	96,82,000	1,10,00,000	97,50,000	1,05,00,000
Government Stores.						
24. Duty on Government Stores other than Railway Stores	...	...	...	...	...	53,50,000
TOTAL IMPORTS	23,16,35,000	27,79,19,000	33,66,23,000	36,57,84,000	32,39,49,000	36,71,45,000
25. Export duties—						
(a) Hides and skins, raw	60,22,000	51,42,000	42,60,000	25,00,000	24,14,000	25,00,000
(b) Jute (raw and manufactured)	3,21,13,000	2,71,99,000	3,29,25,000	3,45,00,000	3,70,66,000	3,60,00,000
(c) Rice	60,28,000	80,45,000	1,08,06,000	1,15,00,000	1,11,00,000	1,11,93,000
(d) Tea	42,05,000	46,26,000	44,41,000	55,45,000	47,50,000	49,04,000
26. Sea Customs—Miscellaneous	18,85,000	12,67,000	11,60,000	11,74,000	11,50,000	12,00,000
27. Land Customs	14,01,000	14,60,000	20,76,000	20,33,000	20,00,000	23,00,000
28. Excise Duty on Cotton manufactures	2,30,93,000	2,19,17,000	1,87,34,000	1,88,15,000	1,50,00,000	1,75,00,000
29. Excise Duty on Motor Spirit	54,26,000	61,10,000	64,69,000	80,00,000	65,00,000	68,00,000
30. Excise Duty on Kerosene	...	...	92,32,000	90,90,000	98,00,000	98,00,000
31. Warehouse and wharf rents and Miscellaneous	71,77,000	8,46,000	4,79,000	10,00,000	5,22,000	8,38,000
TOTAL GROSS REVENUE	31,89,85,000	35,36,31,000	42,72,05,000	45,99,41,000	41,42,51,000	46,01,80,000
Deduct—Refunds	*92,18,000*	*95,33,000*	*1,37,40,000*	*90,00,000*	*1,00,98,000*	*99,98,000*
NET REVENUE	30,97,67,000	34,40,98,000	41,34,65,000	45,09,41,000	40,41,53,000	45,01,82,000
CHARGES.						
India	58,76,144	64,49,533	69,39,458	71,15,000	69,94,000	80,37,000
England	76,960	91,196	86,613	90,000	1,37,000	1,30,000
Exchange	...	46,903	44,929	45,000	62,000	56,000
TOTAL	59,53,104	65,87,632	70,62,000	72,50,000	71,93,000	82,23,000

Revised, 1923-24.

6. The Revised estimate of Customs revenue in 1923-24 amounts to R40,41·53 lakhs or R4,67·88 lakhs less than the Budget estimate. Most of the tariff heads show a decrease in revenue, and the largest decreases occur under sugar (R1,15 lakhs), cotton piece goods (R73 lakhs), Railway plant and rolling stock (R46 lakhs), cutlery, hardware, etc., (R34·50 lakhs), iron and steel (R29 lakhs), other metals (R28·50 lakhs), other manufactured articles (R30 lakhs), and the excise duty on cotton manufactures (R38·15 lakhs). The only heads which show a material increase in revenue are the import duty on yarns and textile fabrics other than cotton manufactures (R27 lakhs), and the export duty on jute (R25·66 lakhs).

7. The decline in revenue under sugar was the result of insufficient allowance made in the Budget for the reduction in the tariff valuation which came into force from the 1st January 1923. The revenue from railway plant and rolling stock was affected by a decision of the Bombay High Court that stores imported by Railway Companies working State lines fall within the term "Government Stores" for the purpose of the proviso to section 20 of the Sea Customs Act VIII of 1878. An appeal has been preferred to the Privy Council against the decision, but pending the result of the appeal, the stores in question are being passed free of duty.

8. The imports of other articles have generally been satisfactory, but the collections of revenue in the case of articles which are subject to an *ad valorem* duty have declined in consequence of a fall in prices. The Bombay cotton mill industry passed through adverse conditions in the current year and the realisations from the excise duty on cotton manufactures have suffered in consequence.

Budget, 1924-25.

9. The Budget estimate of Customs revenue in 1924-25 is placed at R45,1 82 lakhs or R4,60·29 lakhs more than the Revised estimate for the current year. Section 20 of the Sea Customs Act has been amended so as to make Government stores liable to customs duties with effect from the 1st April 1924. Credit has therefore been taken in the Budget figures for next year for R1,63·50 lakhs on account of duty payable in respect of stores imported by Government inclusive of stores for state-worked and company-managed railways. The details of the credit of R1,63·50 lakhs are as follows:—

(i) Rs. 25 lakhs for Military Stores;

(ii) Rs. 1,10 lakhs for stores imported by State and Company-managed railways for Capital as well as Revenue purposes;

(iii) R6·50 lakhs for stores imported by other Departments of the Central Government; and

(iv) Rs. 22 lakhs for stores imported by Provincial Governments.

10. Items (*i*) and (*iii*) are set off by corresponding provision for expenditure in the estimates of the Departments concerned, and item (*iv*) by provision for assignments to be made to Provincial Governments to compensate them for the duty which they will pay to the Central Government in 1924-25. Item (*ii*) also involves corresponding expenditure by Railways partly on revenue and partly on capital account. In view of the financial objections to taking a credit to revenue by charge to capital, it is proposed to earmark for the avoidance of debt 11 lakhs representing the charge to capital for state-worked railways, the similar question in the case of company-managed railways being left for subsequent consideration.

11. Apart from the duty on Government stores inclusive of Railway stores, the Budget estimate for 1924-25 exceeds the Revised estimate for the current year by R3,40 79 lakhs. Allowance has been made for an improvement in trade conditions generally and under sugar for the increased tariff valuation which came into force from January 1924. The minor changes in the tariff included in the Finance Bill have no importance from the revenue point of view.

II AND 2.—TAXES ON INCOME.

REVENUE.

	Actuals, 1920-1921.	Actuals, 1921-1922.	Actuals, 1922-1923.	1923-1924. Budget.	1923-1924. Revised.	Budget, 1924-1925.
EXCESS PROFITS DUTY.	R	R	R	R	R	R
1. India	4,01,205	...	...	...	...	...
2. N.-W. Frontier	...	30,755	...	...	32,000	...
3. Madras	38,32,284	8,24,387	3,171	...	...	...
4. Bombay	61,58,826	11,21,569	99,876	...	68,000	...
5. Bengal	69,56,880	5,60,200	46,986	...	4,000	...
6. United Provinces	7,25,654	28,323	...	...	1,000	...
7. Punjab	4,23,648	51,453	...	...	13,000	...
8. Burma	2,85,277	...	...	...	...	...
9. Bihar and Orissa	30,726	13,881	...	...	...	...
10. Central Provinces	...	...	...	...	...	...
11. Assam	1,406	...	...	...	...	...
Total	1,88,15,906	26,30,568	1,50,033	...	1,18,000	...
SUPER-TAX.						
1. India	1,92,232	2,64,293	15,056	1,75,000	1,75,000	1,90,000
2. N.-W. Frontier	10,744	96,959	24,466	45,000	1,17,000	45,000
3. Madras	18,22,520	54,87,980	34,43,753	50,00,000	32,00,000	27,00,000
4. Bombay	1,88,02,642	3,80,66,807	3,58,31,830	2,73,86,000	1,99,64,000	1,39,58,000
5. Bengal	3,36,91,035	3,03,34,671	1,90,62,584	1,90,00,000	3,07,93,000	2,72,26,000
6. United Provinces	17,89,590	38,64,128	27,78,945	22,00,000	19,19,000	16,61,000
7. Punjab	9,39,808	10,06,091	14,24,217	10,23,000	10,86,000	8,12,000
8. Burma	47,15,451	56,21,222	59,08,474	60,00,000	51,00,000	70,45,000
9. Bihar and Orissa	9,07,194	10,63,880	16,49,095	12,28,000	12,38,000	21,51,000
10. Central Provinces	6,24,361	18,42,108	25,70,834	17,00,000	18,26,000	12,85,000
11. Assam	94,658	13,713	6,037	1,00,000	80,000	80,000
Total	6,35,90,235	8,76,61,852	7,23,15,293	6,38,57,000	6,54,98,000	5,71,54,000
INCOME-TAX.						
1. India General—Civil	18,99,806	25,78,782	31,41,107	29,63,000	31,72,000	31,50,000
Non-Civil Departments	53,15,471	62,43,377	62,01,412	63,14,000	59,26,000	58,76,000
2. Delhi	12,79,749	13,60,514	8,27,430	10,86,000	8,00,000	8,00,000
3. Baluchistan	42,282	48,153	85,617	62,000	83,000	83,000
4. North-West Frontier	5,24,026	5,22,787	9,86,860	7,17,000	11,62,000	11,79,000
5. Madras	1,39,94,480	1,51,91,114	1,32,11,878	1,50,01,000	1,55,00,000	1,47,00,000
6. Bombay	4,29,40,821	5,59,19,576	5,81,71,938	4,21,22,000	4,10,78,000	3,11,81,000
7. Bengal	4,33,27,376	4,36,23,020	3,19,68,701	2,90,00,000	4,17,28,000	4,13,03,000
8. United Provinces	70,57,656	90,67,961	84,47,341	83,14,000	69,47,000	71,53,000
9. Punjab	52,25,172	50,31,329	76,36,881	67,29,000	77,46,000	71,12,000
10. Burma	1,13,71,272	1,29,71,221	1,23,74,691	1,33,00,000	1,17,74,000	1,39,86,000
11. Bihar and Orissa	26,62,359	32,48,551	45,24,977	41,50,000	42,50,000	46,33,000
12. Central Provinces	29,01,463	41,66,582	45,52,645	35,96,000	40,50,000	38,10,000
13. Assam	9,80,404	8,86,404	9,81,540	12,24,000	13,24,000	15,00,000
Total	13,95,22,337	16,08,59,371	15,31,13,018	13,45,78,000	14,55,45,000	13,64,66,000
Gross Revenue from Taxes on income	22,19,28,478	25,11,51,791	22,55,78,344	19,84,35,000	21,11,61,000	19,36,20,000
Deduct—Refunds	*1,27,54,156*	*2,93,96,968*	*4,41,83,859*	*66,71,000*	*1,90,50,000*	*99,62,000*
NET REVENUE	20,91,74,322	22,17,54,823	18,13,94,485	19,17,64,000	19,21,11,000	18,36,58,000
Deduct—Share of Provincial Governments in Income-tax revenue under the Devolution Rules		(a) *3,43,41,399*	*14,53,335*	*13,00,000*	*13,66,000*	*14,61,000*
Revenue of the Central Government		18,74,13,424	17,99,41,150	19,04,64,000	19,07,45,000	18,21,97,000

(a) This is the amount which, under rule 15 of the Devolution Rules as it was in force in 1921-22, was credited to Provincial Governments as their share of income-tax revenue; they made, however, assignments to the Central Government amounting to R3,14,80,933 in consideration of the allocation of income-tax revenue; the net revenue which the Provincial Governments received in that year on account of income-tax thus amounted to R28,60,466.

EXPENDITURE.

	Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	Budget, 1924-25.
	R	R	R	R	R	R
1. India General	43,884	51,467	6,81,252	10,00,000	1,02,000	20,000
2. Delhi	971		15,094	15,000	16,000	23,000
3. Baluchistan	...	...	6,202	14,000	11,000	13,000
4. North-West Frontier	18,325	22,511	53,004	62,000	62,000	60,000
5. Madras	3,48,722	3,30,627	4,77,082	6,86,000	15,89,000	10,03,000
6. Bombay	5,84,630	4,97,945	8,46,593	14,79,000	17,16,000	17,31,000
7. Bengal	3,11,468	2,87,409	5,21,739	7,87,000	6,60,000	9,20,000
8. United Provinces	3,72,169	3,63,044	5,61,572	6,49,000	5,87,000	6,97,000
9. Punjab	2,07,814	3,04,785	4,77,579	5,96,000	5,55,000	5,55,000
10. Burma	1,46,335	1,31,931	2,19,494	3,87,000	4,71,000	6,58,000
11. Bihar and Orissa	64,257	78,269	2,20,719	2,29,000	2,20,000	2,93,000
12. Central Provinces	82,480	1,53,508	3,60,938	3,71,000	3,42,000	3,90,000
13. Assam	5,295	5,327	13,510	12,000	1,15,000	90,000
Total	21,86,350	22,26,823	43,94,778	62,87,000	64,46,000	64,53,000
England	19,720	15,947	40,095	61,000	36,000	46,000
Exchange	...	8,202	21,263	31,000	16,000	20,000
TOTAL EXPENDITURE R	22,06,070	22,50,972	44,56,136	63,79,000	64,98,000	65,19,000
Distributed as follows—						
Payment to Provincial Governments	...	...	6,37,071	9,00,000	19,58,000	8,07,000
Direct expenditure of Central Government	22,06,070	22,50,972	38,19,065	54,79,000	45,40,000	57,12,000

REVENUE.

(*i*) *Excess Profits Duty.*

12. The Revised estimate for the current year (Rs. 1·18 lakh) represent the collection of arrears thrown forward from previous years. *Revised, 1923-24.*

(*ii*) *Super-tax and Income-tax.*

13. The following table shows the distribution by provinces of the net revenue of the Central Government from super-tax and income-tax after deducting refunds and the share payable to Provincial Governments under the Devolution Rules :—

(In lakhs of rupees).

—	Actuals, 1922-23.	Budget, 1923-24.	Revised, 1923-24.	Budget, 1924-25.
	R	R	R	R
Madras	1,32	1,97	1,67	1,66
Bombay	7,85	6,60	5,26	4,35
Bengal	3,25	4,77	6,97	6,50
United Provinces	98	1,02	84	84
Punjab	70	72	71	72
Burma	1,55	1,75	1,37	1,82
Bihar and Orissa	56	46	50	62
Central Provinces	58	52	52	48
Assam	8	12	11	12
Minor Administrations and Non-Civil Departments	1,11	1,12	1,11	1,11
Total	17,98	19,05	19,06	18,22

14. The total Revised estimate of net Revenue for 1923-24 closely follows the Budget, a decline of R1,34 lakhs in Bombay due to the depressed condition of the cotton mill industry and smaller decreases in Madras (R30 lakhs), Burma (R38 lakhs) and the United Provinces (R18 lakhs) being set off by an increase in Bengal (R2,20 lakhs). *Revised, 1923-24.*

Budget, 1924-25.

15. The total Budget estimate for 1924-25 falls short of the Revised estimate for the current year by R84 lakhs. The collections in Bombay are expected to be less by R91 lakhs owing to the depressed condition of the mill industry, and in Bengal by R47 lakhs owing mainly to the current year's revenue including arrears; on the other hand, increases are expected in Burma (R45 lakhs) and Bihar and Orissa (R12 lakhs) from the collection of arrears thrown forward from the current year.

III AND 3.—SALT.

	Actuals, 1920-1921.	Actuals, 1921-1922.	Actuals, 1922-1923.	1923-1924. Budget.	1923-1924. Revised.	Budget, 1924-1925.
	R	R	R	R	R	R
REVENUE.						
Northern India (*a*)	1,45,37,961	1,89,25,023	2,06,11,339	3,42,89,000	1,93,69,000	2,52,11,000
Madras (*a*)	1,46,12,475	1,39,10,320	1,55,77,764	2,39,35,000	2,10,83,000	2,21,27,000
Bombay (*a*)	2,13,17,341	1,25,87,566	1,52,80,467	2,75,31,000	2,26,12,000	1,77,16,000
Bengal (*b*)	1,40,10,216	1,56,42,365	1,84,96,244	2,70,40,000	1,91,48,000	2,30,49,000
Burma (*b*)	31,64,742	33,52,444	31,80,258	55,04,000	61,50,000	31,10,000
Bihar and Orissa	1,303	2,082	520	1,000	1,000	1,000
Assam	770	...	...	...	...	...
GROSS REVENUE	6,76,45,303	6,44,19,800	7,31,46,592	11,83,00,000	8,83,63,000	9,12,14,000
Deduct—Refunds	*57,65,495*	*9,81,952*	*49,00,480*	*8,00,000*	*13,36,000*	*7,52,000*
NET REVENUE	6,18,79,813	6,34,37,848	6,82,46,112	11,75,00,000	8,70,27,000	9,04,62,000
CHARGES.						
Cost of salt purchased by Government	17,85,146	21,16,621	17,76,320	23,62,000	22,73,000	17,84,000
Assignments and compensations	38,55,408	36,84,990	40,09,267	39,11,000	37,48,000	37,20,000
Other charges	75,05,377	97,34,977	92,62,067	90,93,000	81,65,000	89,42,000
Total India	1,31,45,931	1,55,36,588	1,50,47,654	1,53,66,000	1,41,86,000	1,44,46,000
England	61,840	74,296	57,471	56,000	54,000	62,000
Exchange	...	38,212	31,022	28,000	25,000	27,000
TOTAL	1,32,07,771	1,56,49,096	1,51,36,147	1,54,50,000	1,42,65,000	1,45,35,000
Total issues Mds.	4,66,71,000	4,78,31,000	5,44,00,000	5,30,00,000	3,80,00,000	5,60,00,000

(*a*) Chiefly excise on local manufacture. (*b*) Chiefly duty on imported salt.

REVENUE.

Revised, 1923-24.

16. The Revised estimate of net revenue falls short of the Budget by R3,04·73 lakhs; the decrease occurs in all provinces except Burma, but is largest in Northern India (R1,49·20 lakhs). About 36 lakhs of maunds were taken by traders in January and February 1923 in excess of the normal issue in these months in anticipation of an increase in duty from the 1st March 1923. In expectation of a reduction in duty from the 1st March 1924, the traders, especially in Northern India, have reduced their stocks as low as possible and restricted purchases to the minimum. The probable issues in the current year are accordingly not expected to exceed 3,80 lakhs of maunds, against a normal issue at the present time of about 4,95 lakhs of maunds. A further minor cause for the decrease in revenue is an expansion in the quantity issued on credit in Bengal in consequence of the increase in duty.

Budget, 1924-25.

17. With effect from the 1st March 1924, the duty on salt imported into, and produced in, India has been reduced from R2-8 to R1-4 a maund. It is expected that there will be a rapid replenishment of stocks on account of the reduction of duty and the total issues of salt in 1924-25 are taken at 5,60 lakhs of maunds. Including sale proceeds of Government salt and other miscellaneous receipts and allowing for the operation of the credit system of sales in Bengal and Madras, the Budget estimate of net revenue in 1924-25 has been placed at R9,04·62 lakhs.

IV AND 4—OPIUM.

	Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24.		Budget, 1924-25.
				Budget.	Revised.	
	R	R	R	R	R	R
INDIA.						
Revenue—						
Sale of provision and medical opium	2,93,71,038	2,36,83,908	2,93,09,450	2,89,66,000	3,23,06,000	3,29,46,000
Excise opium and other revenue	59,70,196	70,41,284	85,83,042	1,03,47,000	1,07,59,000	1,04,15,000
GROSS REVENUE	3,53,41,234	3,07,25,192	3,78,92,492	3,93,13,000	4,30,65,000	4,33,61,000
Deduct—Refunds	*623*	*394*	*424*	*1,000*	*1,000*	*1,000*
NET REVENUE	3,53,40,611	3,07,24,798	3,78,92,068	3,93,12,000	4,30,64,000	4,33,60,000
Expenditure—						
Purchase of Opium (including payments to Cultivators)	1,03,82,503	1,61,14,979	1,67,34,623	1,69,19,000	2,39,58,000	1,89,30,000
Other Charges	19,22,133	18,10,228	18,67,280	18,23,000	17,85,000	18,71,000
TOTAL INDIA	1,23,04,636	1,79,25,207	1,86,01,903	1,87,42,000	2,57,43,000	2,08,01,000
ENGLAND	70,550	52,605	38,462	59,000	69,000	75,000
Exchange	...	27,055	20,278	30,000	31,000	32,000
TOTAL	1,23,75,186	1,80,04,867	1,86,60,643	1,88,31,000	2,58,43,000	2,09,08,000

REVENUE.

(*i*) *Provision and Medical Opium.*

Revised, 1923-24.

18. The Budget estimate for 1923-24 provided for a revenue of R2,89·66 lakhs from the sale of about 7,450 chests of opium for consumption outside India. Of this quantity 2,500 chests were to be disposed of at the monthly auctions held at Calcutta, and the balance was to be supplied to the Foreign Governments with which agreements have been entered into for the direct supply of opium at fixed prices, the countries which at present take the largest supplies in this manner being the Straits Settlements, the Netherlands Indies and Siam. Owing to a slightly better demand for opium in the Far East than was anticipated in the Budget, 2,700 chests have so far been sold by auction and 250 chests are on offer for the sale in March. The average price realised during the year will amount to R4,520 a chest, and the proceeds from auction sales are estimated at R1,33·35 lakhs, or R20·85 lakhs higher than the Budget. Inclusive of direct supplies which will bring in R12·55 lakhs more than the Budget owing to increased demands by some of the Foreign Governments, it is now estimated that 8,274 chests will be disposed of in the current year and that they will fetch a revenue R3,23·06 lakhs.

Budget, 1924-25.

19. The Budget estimate provides for a revenue of R3,29·46 lakhs from the sale of provision opium, or R6·40 lakhs more than the Revised estimate for the current year.

(*ii*) *Excise Opium and other revenue.*

Revised, 1923-24.

Budget, 1924-25.

20. The Revised estimate for 1923-24 is more than the Budget by R4·12 lakhs owing mainly to an increase in consumption in the Punjab and to a special receipt of R3·64 lakhs in England for which the Budget did not provide. The Budget estimate for 1924-25 is less than the current year's Revised by R3·44 lakhs owing to the absence of the special receipt referred to above. Only the amount charged to Local Governments on account of the cost of

production of opium consumed in India is credited under this head, the difference between the actual price of issue and the cost of production forming an item of excise revenue creditable to Provincial revenues in the case of the major provinces.

EXPENDITURE.

21. The Revised estimate for 1923-24 exceeds the Budget by R70·12 lakhs, owing to additional payments to cultivators in the United Provinces and in the Central India States in consequence of an increase in the outturn of the last crop. The Budget estimate for 1924-25 provides for payments to cultivators based on a normal outturn and is R49·35 lakhs less than the current year's Revised. *Revised, 1923-24.* *Budget, 1924-25.*

XV, 17, 18 AND 56—POSTS AND TELEGRAPHS.

—	Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24		Budget, 1924-25.
				Budget.	Revised.	
	R	R	R	R	R	R
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
GROSS RECEIPTS.						
INDIA.						
1. Postage and Message Revenue .	7,03,41,950	7,36,78,560	7,88,16,427	8,49,99,000	8,03,89,000	8,22,54,000
2. Commission on money orders .	1,83,76,585	1,05,90,485	1,03,73,687	1,08,00,000	1,06,00,000	1,09,00,000
3. Other Receipts .	57,42,913	63,22,784	75,13,176	73,00,000	76,90,000	83,00,000
TOTAL GROSS RECEIPTS	9,44,61,448	9,05,91,829	9,67,03,290	10,30,99,000	9,86,79,000	10,14,54,000
WORKING EXPENSES.						
INDIA.						
1. Establishment charges . . .	6,97,70,800	6,50,29,704	6,53,31,314	6,34,05,000	6,40,17,000	6,52,65,000
2. Stationery and Printing . . .	31,46,054	42,35,441	20,15,749	27,21,000	21,75,000	21,29,000
3. Conveyance of mails	1,00,51,774	1,09,92,055	1,10,30,863	1,06,83,000	1,07,69,000	1,26,84,000
4. Maintenance of Telegraph Lines .	39,90,662	45,75,648	54,52,201	48,62,000	54,10,000	64,01,000
5. Miscellaneous .	11,05,551	12,95,088	17,27,722	12,78,000	35,85,000	4,46,000
6. Superannuation allowances and Pensions .	...	...	...	...	30,00,000	30,00,000
TOTAL INDIA .	7,80,64,841	8,61,77,936	8,55,57,849	8,29,49,000	8,89,56,000	8,99,25,000
ENGLAND.						
1. Contribution to Eastern mail subsidy .	...	...	...	...	2,20,000	2,20,000
2. Cost of Stamps .	...	..	..	...	13,10,000	8,80,000
3. Other items .	2,66,500	1,81,313	2,56,929	2,77,000	3,49,000	3,13,000
TOTAL ENGLAND .	2,66,500	1,81,313	2,56,929	2,77,000	18,79,000	14,13,000
EXCHANGE . .		92,857	1,37,745	1,38,000	8,54,000	6,12,000
TOTAL WORKING EXPENSES .	7,83,31,341	8,64,52,086	8,59,52,523	8,33,64,000	9,16,89,000	9,19,50,000
NET RECEIPTS—INDIAN POSTAL AND TELEGRAPH DEPARTMENT . . .	1,61,30,107	41,39,743	1,07,50,767	1,97,35,000	69,90,000	95,04,000

	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	Budget, 1924-25.
EXPENDITURE CHARGED TO REVENUE.	R	R	R	R	R
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.					
REVENUE ACCOUNT—					
INDIA.					
Interest on Debt . . .	56,81,015	59,16,002	68,28,000	63,60,000	71,00,000
CAPITAL ACCOUNT (CHARGED TO REVENUE)—					
India	—36,49,820	—36,73,788	—49,24,000	—68,12,000	—1,12,81,000
England	98,65,571	38,14,852	25,00,000	15,00,000	17,70,000
Exchange . . .	50,34,237	20,37,524	12,50,000	6,82,000	7,66,000
TOTAL .	1,12,49,988	21,78,588	—11,74,000	—46,30,000	—87,45,000
TOTAL EXPENDITURE CHARGED TO REVENUE . .	1,69 31,003	80,94,590	56,54,000	17,30,000	—16,45,000
CAPITAL OUTLAY ON POSTS AND TELEGRAPHS.					
(NOT CHARGED TO REVENUE.)					
INDIAN POSTAL AND TELEGRAPH DEPARTMENT—					
1. Telegraph Lines .	48,99,424	57,70,981	61,00,000	60,44,000	1,09,50,000
2. Telegraph Buildings .	11,57,739	—11,76,435	12,30,000	11,50,000	23,70,000
3. Apparatus and Plant, etc. .	21,04,454	19,67,460	21,00,000	24,71,000	20,83,000
4. Share of Establishment, etc., transferred from working expenses . .	...	...	...	...	19,92,000
TOTAL .	81,61,617	65,62,006	94,30,000	96,65,000	1,73,95,000

	Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	Budget, 1924-25.
INDO-EUROPEAN TELEGRAPH DEPARTMENT.	R	R	R	R	R	R
GROSS RECEIPTS—						
INDIA.						
1. Message Revenue .	16,28,207	27,68,199	23,26,002	24,00,000	25,25,000	34,00,000
2. Other Receipts	24,461	—5,169	—1,02,411	—2,96,000	20,000	25,000
TOTAL INDIA .	16,52,668	27,63,030	22,23,591	21,04,000	25,45,000	34,25,000
ENGLAND.						
1. Message Revenue .	15,00,695	14,44,588	14,87,892	10,00,000	20,000	20,000
2. Other Receipts .	1,500	4,045	84,646	3,20,000	15,80,000	8,00,000
TOTAL ENGLAND .	15,02,195	14,48,633	15,72,538	13,20,000	16,00,000	8,20,000
Exchange . . .	...	6,99,509	8,15,053	6,60,000	7,27,000	3,55,000
TOTAL GROSS RECEIPTS	31,54,863	49,11,172	46,11,187	40,84,000	48,72,000	46,00,000
WORKING EXPENSES— INDIA AND ENGLAND	26,29,510	33,78,752	30,98,450	29,58,000	33,24,000	33,33,000
Exchange . .	...	19,385	34,056	29,000	44,000	30,000
NET RECEIPTS—INDO-EUROPEAN TELEGRAPH DEPARTMENT	5,25,353	15,13,035	14,78,681	10,97,000	15,04,000	12,37,000

	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	Budget, 1924-25.
CAPITAL ACCOUNT CHARGED TO REVENUE.	R	R	R	R	R
INDO-EUROPEAN TELEGRAPH DEPARTMENT—					
India	—6,42,757	—5,87,360	—6,56,000	—2,63,000	—3,92,000
England	2,06,787	1,26,414	2,25,000	—72,000	6,53,000
Exchange	1,05,464	64,892	1,12,000	—33,000	2,84,000
TOTAL CAPITAL ACCOUNT CHARGED TO REVENUE	—3,30,506	—3,96,054	—3,19,000	—4,68,000	5,45,000

INDIAN POSTAL AND TELEGRAPH DEPARTMENT.

(*a*) *Gross Receipts.*

Revised, 1923-24.

22. The Revised Estimate for 1923-24 falls short of the Budget Estimate by Rs. 44·20 lakhs. The latter estimate was, however, based on the Revised of the previous year, which included erroneous adjustments of Rs. 22 lakhs provisionally made under this head. The estimate for the current year was therefore vitiated to this extent and the real deficit in the Revised estimate may be taken at Rs. 22 lakhs This deficit is due mainly to continued trade depression, which is particularly shown in the falling off in the receipts for foreign telegrams. Diversion of traffic owing to the re-opening of the Indo—route to Europe and of the Aden—Colombo cable to the Far East is also responsible for a decline in receipts. Further, as a result of general retrenchment, there is a drop of Rs. 4 lakhs in receipts under service stamps. The total decrease would have been greater but for larger realisations (Rs. 5·7 lakhs) on account of rent of telephones.

Budget, 1924-25.

23. The estimate of revenue for 1924-25 provides for an increase of R27·75 lakhs over the Revised estimate for the current year. Allowance is made for normal growth and in expectation of improved trade conditions next year. Increased revenue will be received from the revised rates for insurance of postal articles in the inland post, from the enhancement of fees for purpose of Customs formalities on Foreign parcels, and from anticipated increases in the charges made to Railway and Canal Administrations for the maintenance of their lines

(*b*) *Working Expenses.*

Revised, 1923-24.

24. The Budget for the current year was framed with reference to the recommendations of the Retrenchment Committee and was actually Rs. 64 lakhs less than the Revised estimate for 1922-23. The Revised estimate for the current year shows an increase of R83·25 lakhs which is mainly due to the transfer to this head of R72 lakhs in pursuance of the proposals for the commercialisation of the accounts. This adjustment includes R30 lakhs for the pensions of the staff hitherto charged under another head, R31 lakhs for the purchase of the stock of stamps and postal stationery lying with the Stamp Department, and an additional R11 lakhs due to certain extra charges connected with the annual indent for stamps, which were not hitherto charged to the Department. The remainder of the excess is due to essential expenditure on the maintenance of lines damaged by cyclones in Madras and Burma, and also to the resumption of payments for the Eastern Mail Service on a greatly improved basis. It was also necessary to make extra allotments for conveyance of mails owing to insufficient provision.

Budget, 1924-25.

25. The Budget for the ensuing year exceeds the Revised estimate of the current year by a little over Rs. 2½ lakhs. The main additional charges are:

(1) annual increments in the pay of the staff (Rs. 13 lakhs),

(2) increased charges made by Railways for the haulage of mail vans (Rs. 12½ lakhs),

(3) increase in mail subsidies (Rs. 6¼ lakhs),

(4) additional provision for maintenance of lines (Rs. 10 lakhs), necessitated by protracted retrenchments in recent years. Part of this increase is due to the revenue portion of capital outlay on replacement of lines,

(5) provision for maintenance of post office buildings omitted in the current year as a measure of retrenchment (Rs. 5 lakhs). Delay in repairs only results in more rapid deterioration and heavier expenditure in the end. On the other hand, there are material reductions under "Miscellaneous" and "Purchase of stamps in England", while credit is taken for the first time for services rendered by the Postal Department to other Departments of Government, the main items being R19¾ lakhs for savings bank work and R2½ lakhs for work in connection with cash certificates.

(*c*) *Interest on Debt.*

26. The Revised estimate for the current year is Rs. 4·68 lakhs less than the Budget owing to a revision of the rate of interest charged. The increase of over Rs. 7 lakhs in the estimate for 1924-25 is due to the heavier capital outlay anticipated for that year.

(*d*) *Capital account charged to Revenue.*

27. *India.*—The expenditure in India under this head is mainly on account of post office buildings and purchase of stores in India. So far as stores are concerned, this is a suspense head and, when stores are issued from accumulated stock either to capital or revenue works or are sold to other Departments, this head naturally receives credit for their value as it has borne the expenditure in the past. The *minus* figure which generally appears under this head is due to the fact that the value of stores issued from the stock balance is greater than the outlay on fresh stores and on buildings. The credit has increased in the current year from ₹49·24 lakhs in the Budget to ₹68·12 lakhs in the Revised, due to reduced expenditure on stores in India (₹5 lakhs) and to increased credits on account of larger issues of stores (₹12 lakhs). For 1924-25, the credit is increased to ₹1,12·8 lakhs mainly due to anticipated larger issue of stores on an expanded programme of works and to the transfer to the head ' Capital not charged to revenue ' of the share of establishment charges debitable to Capital works. A provision of ₹3·70 lakhs has been made for the first time under this head for customs duty on imported stores.

Revised, 1923-24.

Budget, 1924-25.

28. *England.*—The expenditure under this head in the Revised is lower than the Budget by ₹15½ lakhs owing to economies in the purchase of stores. Provision for 1924-25 shows an increase of about ₹3 lakhs only on account of purchase of special stores.

(*e*) *Capital outlay not charged to Revenue.*

29. The Revised estimate exceeds the Budget Estimate of 1923-24 by ₹2·35 lakhs only, mainly on account of new works in Delhi. The Budget for 1924-25 is approximately ₹1,74 lakhs, of which ₹20 lakhs represents the cost of establishment engaged on capital works now debited for the first time to this head. The increased provision for telegraph buildings includes ₹7 lakhs for works in New Delhi. Under Telegraph Lines larger provision is made for the increased requirements of Railway and Canal Administrations.

INDO-EUROPEAN TELEGRAPH DEPARTMENT.

(*a*) *Gross Receipts.*

30. The Revised estimate indicates an improvement of ₹7·88 lakhs mainly due to increased receipts on the common purse account. The Budget for 1924-25 is less than the Revised for the current year by ₹2·72 lakhs and takes into account the full effect of diversion of traffic by the Indo-route.

(*b*) *Working expenses.*

31. The Revised estimate shows an increase of ₹3·8 lakhs over the budget for the current year, of which approximately ₹2 lakhs is due to the inclusion under this head of accumulated arrears of expenditure on the maintenance of the Meshed-Seistan line. Provision is also made for the first time for pensions of the staff. The Budget for 1924-25 shows no material variation from the Revised.

(*c*) *Capital outlay charged to Revenue.*

32. The *minus* figures under this head are due to the fact that actual capital outlay is less than deductions made from the capital account for payments received on account of cost of construction of certain lines in Persia and for amortization of the value of certain lines, which may be returned to the Persian Government after lapse of the agreement in 1945. Increased expenditure provided for 1924-1925 is mainly due to the provision of ₹7·18 lakhs for the purchase of a new cable ship to replace the existing ship which has been condemned as unseaworthy.

XVI.—INTEREST RECEIPTS.

	Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	Budget, 1924-25.
INDIA.	₹	₹	₹	₹	₹	₹
1. Interest on loans and advances by the Central Government.	35,97,716	35,21,554	35,55,304	34,35,000	34,42,000	34,07,000
2. Interest on overdrawn Capital of Railway Companies in India.	36,277	37,107	54,490	37,000	38,000	38,000
3. Interest on advances to Railway Companies charged to Capital . . .	1,24,560	4,51,974	8,32,283	10,60,000	10,09,000	14,95,000
4. Interest on Securities of Railway Companies' Provident Funds . . .	27,71,767	30,95,271	44,00,462	35,29,000	35,29,000	34,26,000
5. Gain from purchase of Government of India securities for Depreciation Fund at less than nominal value . . .	...	...	...	...	4,00,000	9,00,000
6. Miscellaneous items .	1,06,192	2,05,763	91,488	1,13,000	91,000	94,000
TOTAL INDIA .	66,36,512	73,11,669	89,34,027	81,74,000	85,09,000	93,60,000
ENGLAND.						
1. Interest realised from investment of Cash Balances, etc. .	21,03,110	25,02,143	17,40,666	6,98,000	39,18,000	14,05,000
2. Assets of Gold Standard Reserve in excess of £40 millions.	...	...	...	1,05,83,000	1,25,24,000	1,42,04,000
TOTAL .	21,03,110	25,02,143	17,40,666	1,12,81,000	1,64,42,000	1,56,09,000
EXCHANGE .	...	12,86,888	8,96,003	56,41,000	74,74,000	67,56,000
TOTAL RECEIPTS .	87,39,622	1,11,00,700	1,15,70,696	2,50,96,000	3,24,25,000	3,17,25,000
Loans by the Central Government outstanding on 31st March .	9,08,72,250	9,10,19,482	8,89,77,144	8,84,53,485	8,69,33,144	8,62,63,144

India.

33. When securities of the 5 per cent. War Loan 1929-47 and the 5 per cent. Income-tax Free Loan 1945-55 are purchased out of depreciation funds and cancelled, the full nominal value of the securities has hitherto been charged off as Permanent Debt discharged by *per contra* credit to a miscellaneous deposit head. With effect from the current year, only the purchase price of the securities will be credited to the deposit head, the difference between this and the nominal price being credited as revenue. The current year's Revised and next year's Budget estimates accordingly include ₹4 lakhs and ₹9 lakhs respectively on this account.

England.

Revised, 1923-24.

34. Owing to the earlier issue of the sterling loan during the current year, an increase in the amount of the loan, and earlier remittances from India, the cash balances of the Secretary of State available for investment have been higher than anticipated in the Budget. There has also been an appreciation in the rate of discount on British treasury bills. The increase in the assets of the Gold Standard Reserve in excess of £40 millions is due to the cause last mentioned and to the purchase of certain short-term securities

which offer a higher yield than treasury bills. The Home treasury balances are expected to be smaller in 1924-25, but the interest on securities held in the Gold Standard Reserve will be larger, the net result being a decrease of R15·51 lakhs in the Budget for that year as compared with the current year's Revised. As in the current year, it is proposed to credit to revenue next year also the assets of the Gold Standard Reserve in excess of £40 millions, and the Budget for 1924-25 includes a credit of R1,42·04 lakhs on this account, exclusive of exchange, or a total credit inclusive of exchange of R2,03·52 lakhs. *Budget, 1924-25.*

19 AND 20.—INTEREST EXPENDITURE AND 21.—REDUCTION OR AVOIDANCE OF DEBT.

	Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	Budget, 1924-25.
Interest on Debt other than that charged to Commercial Departments and Provincial Governments—	R	R	R	R	R	R
Interest on total Debt—						
1. India	17,88,14,392	19,05,17,484	17,66,53,811	20,29,30,000	19,22,00,000	20,60,00,000
2. England	6,61,56,260	7,23,92,711	8,65,97,278	10,04,95,000	10,27,16,000	10,48,90,000
3. Exchange	...	3,70,80,095	4,55,69,437	5,02,48,000	4,66,89,000	4,54,00,000
Total	24,49,70,652	29,99,90,290	30,88,20,526	35,36,73,000	34,16,05,000	35,02,90,000
Deduct—Amounts charged to—						
(*a*) Railways:						
(*i*) India	*8,80,51,408*	*9,22,00,832*	*9,83,68,192*	*12,16,05,000*	*11,05,44,000*	*12,41,63,000*
(*ii*) England	*3,77,48,700*	*4,24,61,280*	*4,24,28,620*	*4,41,23,000*	*4,34,87,000*	*4,59,97,000*
(*iii*) Exchange	...	*2,16,85,936*	*2,26,50,537*	*2,20,62,000*	*1,97,67,000*	*1,99,09,000*
	12,58,00,108	*15,63,48,048*	*16,34,47,349*	*18,77,90,000*	*17,37,98,000*	*19,00,69,000*
(*b*) Irrigation:						
(*i*) India	*9,25,348*	*12,18,481*	*12,18,882*	*10,88,000*	*12,33,000*	*12,41,000*
(*ii*) England	*51,000*	...	...	...	...	...
	9,76,348	*12,18,481*	*12,18,882*	*10,88,000*	*12,33,000*	*12,41,000*
(*c*) Posts and Telegraphs	...	*56,81,015*	*59,16,002*	*68,28,000*	*63,60,000*	*71,00,000*
(*d*) Provincial Governments	*2,81,76,443*	*2,58,41,800*	*3,02,00,692*	*4,00,15,000*	*3,74,90,000*	*4,46,08,000*
Total deduction	*15,49,52,899*	*18,90,89,344*	*20,07,82,925*	*23,57,21,000*	*21,88,81,000*	*24,30,18,000*
Interest on Ordinary Debt	9,00,17,753	11,09,00,946	10,80,37,601	11,79,52,000	12,27,24,000	10,72,72,000
Interest on other Obligations—						
1. India—						
On Savings Bank Balances	1,73,17,939	2,17,99,453	2,21,36,336	2,43,13,000	2,40,78,000	2,66,82,000
Other items	42,31,496	42,98,044	84,82,701	77,94,000	67,76,000	96,24,000
	2,15,49,435	2,60,97,497	3,06,19,037	3,21,07,000	3,08,54,000	3,63,06,000
2. England	...	...	51,360	36,000	76,000	70,000
3. Exchange	...	...	25,231	18,000	35,000	30,000
TOTAL	2,15,49,435	2,60,97,497	3,06,95,628	3,21,61,000	3,09,65,000	3,64,06,000
Reduction or Avoidance of Debt—						
1. India	73,00,000	1,54,00,000	1,54,00,000	1,54,00,000	73,61,000	99,31,000
2. England	50,00,000	50,00,000	50,00,000	44,29,000	44,26,000	2,06,88 000
3. Exchange	...	25,71,571	24,56,311	22,15,000	20,12,000	89,54,000
TOTAL	1,23,00,000	2,29,71,571	2,28,56,311	2,20,44,000	1,37,99,000	3,95,73,000
TOTAL	12,38,67,188	15,99,70,014	16,15,89,540	17,21,67,000	16,74,88,000	18,32,51,000
Debt outstanding on 31st March—	£	£	£	£	£	£
Sterling Debt	191,329,245	205,128,482	242,631,497	251,820,282	260,789,797	279,475,297
Rupee Debt—	R	R	R	R	R	R
Permanent Debt—						
New Loan	...	...	...	25,00,00,000	...	20,00,00,000
6 per cent. Bonds	29,35,34,700	78,48,75,900	1,25,35,96,700	1,25,35,50,900	1,25,35,98,700	1,25,35,98,700
5½ per cent. War Bonds	58,67,75,410	38,54,40,950	30,74,91,125	29,31,35,400	29,34,58,125	29,19,58,125
5 per cent. debt	45,28,51,700	43,48,64,175	41,57,00,875	39,80,20,175	65,13,40,875	63,79,47,375
4 per cent. „	17,24,87,200	17,12,87,200	14,81,19,900	11,94,01,200	12,09,19,900	11,87,19,900
3½ per cent. „	1,19,12,88,891	1,19,18,45,533	1,19,23,13,257	1,19,28,27,533	1,19,35 10,257	1,19,41,10,257
3 per cent. „	6,55,80,050	6,49,05,450	6,43,56,250	6,37,55,450	6,29,56,250	6,22,56,250
Other debt	1,00,13,500	1,83,10,938	1,67,42,138	1,00,13,488	1,31,42,138	1,20,42,138
Treasury Bills—						
Issued to public	43,67,10,000	53,96,70,000	21,58,90,000	15,55,70,000	2,13,00,000	...
Issued to Paper Currency Reserve	61,26,00,000	57,89,00,000	49,65,00,000	49,65,00,000	49,65,00,000	49,65,00,000
Post Office Savings Bank deposits	22,86,36,172	22,26,32,895	23,[illegible]3,556	24,99,29,895	24,76,93,556	26,48,93,556
Post Office Cash Certificates	4,77,78,756	4,34,35,524	3,12,88,795	2,65,35,524	8,38,88,795	9,88,88,795
Provident Funds and other Unfunded Debt	27,31,48,731	32,99,24,328	36,23,52,937	40,10,08,328	39,97,29,937	44,27,80,937

INTEREST ON ORDINARY DEBT.

35. The gross charges for interest on debt in the Revised estimate for 1923-24 show a saving of R1,20·68 lakhs as compared with the Budget, or R73·99 lakhs if allowance is made for the difference due to the adoption of a rate of exchange of 1*s.* 4½*d.* per rupee against 1*s.* 4*d.* in the Budget. There has been a substantial saving on the Budget provision for discount on treasury bills as, owing to the improvement in the ways and means position, it has been possible to reduce the amount of bills outstanding with the public from R21·59 crores on the 31st March 1923 to R2·13 crores on the 31st March 1924. There has also been a saving in the charges for new loans owing to the favourable rate at which the current year's rupee loan was issued. On the other hand, there has been a small excess in the charges for new sterling loans owing to a loan of £18 millions having been raised in London against £15 millions budgeted for. *Revised, 1923-24.*

36. In the Budget for 1924-25 provision has been made for a full year's interest on the rupee and sterling loans raised in the current year. A sum of R50 lakhs has been set aside for the service of a new rupee loan and R2,30 lakhs for discount on replacement of the Indian treasury bills held in the Paper Currency Reserve. It is not anticipated that it will be necessary during 1924-25 either to sell treasury bills to the public or to raise a sterling loan and the Budget does not therefore include any provision on these accounts Provision has been entered in England for the dividends due on the undischarged balance of India's share of the British war debt. *Budget, 1924-25.*

37. Owing to the current year's rupee loan having been issued at a discount the actual receipts fall short of the debt created by R81·72 lakhs. On the analogy of the procedure followed in connection with the sterling loans raised during the last three years, the charge to revenue in respect of this difference will be spread over the period of currency of the loans by the establishment of a discount sinking fund. The first payments under this procedure will fall due during 1924-25 and a provision of R1·40 lakhs is included on this account in the Budget for that year.

38. The amount of interest transferred to the accounts of the commercial departments depends, firstly, on the capital expenditure; secondly, on the actual payment of interest on that portion of the debt which has been incurred specifically on account of the construction or purchase of Railways; and, thirdly, on the rate at which interest is charged on that portion of the debt which has not been specifically raised for the above or other purpose. The present procedure is to charge to railways, posts and telegraphs and irrigation works, in respect of that portion of the debt which has not been incurred specifically for these works, interest on capital expenditure incurred to the end of 1916-17 at the rate of interest specified in the Devolution Rules and interest on capital outlay in subsequent years at the average rate paid on borrowings in that period. The variation in the amount of interest to be transferred to railways and posts and telegraphs in the Revised estimates of the current year as compared with the Budget figures is the result of fluctuations in the rates of interest and in the capital outlay on which the interest is calculated. The increase in the Budget estimate of 1924-25 is almost wholly due to the progress of the capital expenditure. *Transfers to Commercial Departments.* *Revised, 1923-24.* *Budget, 1924-25.*

39. The decrease in recoveries from Provincial Governments in the Revised estimates for the current year follows on a reduction in the loans actually taken by them. The Budget estimate allows for a full year's interest on the loans granted to them by the Central Government during the current year. *Transfers to Provincial Governments.*

INTEREST ON OTHER OBLIGATIONS.

40. The encashment of Post Office Cash Certificates has not been on the scale anticipated and the payment of bonus will therefore be R6 lakhs less than the Budget for the current year. There will also be a decrease of R1·08 lakhs in interest on Post Office Savings Bank deposits and of about R7 lakhs in the interest on provident fund balances. The above savings will *Revised, 1923-24.*

be partly set off by an increase of R1·87 lakhs in the interest payable to Provincial Governments on the balances of their Famine Insurance Funds.

Budget, 1924-25. The Budget for 1924-25 includes increased provision for interest on larger balances of provident fund and other accounts, for payments of bonus on Post Office Cash Certificates (R2 lakhs), and for interest on the Famine Insurance Fund balances of Provincial Governments (R4·41 lakhs).

41. In pursuance of the policy of commercialization of the accounts of the Posts and Telegraphs Department, credit has to be afforded to that Department for work done by it in connection with savings banks and cash certificates. The Budget for 1924-25 accordingly provides for payments of R19·75 lakhs and R2·58 lakhs respectively on the above accounts.

Reduction or Avoidance of Debt.

Revised, 1923-24. 42. Owing to the improved state of the Government securities market it has been unnecessary to use any portion of the additional provision of R80 lakhs made since 1921-22 for the purpose of supporting the two long-term 5 per cent. rupee loans. The Revised estimate thus includes only the obligatory depreciation funds instituted in respect of these loans and the sinking fund charge relating to the liability assumed by India in respect of the British War debt.

Budget, 1924-25. 43. The Budget for 1924-25 includes an additional provision of R14·70 lakhs for the depreciation fund required for the further issue of the 5 per cent. tax-free rupee loan in 1923-24 and a new provision of R11 lakhs for avoidance of debt, being the equivalent of the customs duty collected from State Railways on stores imported by them for capital purposes (*vide* paragraph 10). In pursuance of the scheme of Debt Redemption, general revenues will bear the charges hitherto borne by railway revenues on account of railway sinking funds and the capital portion of the annuities in purchase of railways. The Budget estimate for 1924-25 includes £345,100 and £1,259,000 respectively for these charges.

44. Reckoning exchange at 1*s.* 4*d.*, the total provision for reduction or avoidance of debt in the Budget for 1924-25 amounts to R4,09·63 lakhs, or R3,98·63 lakhs if the provision for avoidance of debt in respect of the customs duty on state railway capital stores is excluded. The latter sum is distributed as follows:—

		(R lakhs).
Depreciation Fund for 5 per cent. long-term rupees loans		88·31
Annual instalment in repayment of War contribution	£464,700	
Railway sinking funds and capital portion of Railway Annuities	£1,604,100	
	£2,068,800	=3,10·32
		3,98·63

29.—POLITICAL.

	Actuals, 1920-1921.	Actuals, 1921-1922.	Actuals, 1922-1923.	1923-1924.		Budget, 1924-1925.
				Budget.	Revised.	
	R	R	R	R	R	R
India General	2,07,60,998	19,61,412	76,19,921	65,79,000	65,71,000	67,47,000
Delhi	580	520	700	1,000	1,000	1,000
Baluchistan	36,56,704	37,50,391	40,26 553	40,64,000	41,45,000	42,06,000
North-West Frontier	45,91,492	50,95,749	78,52,254	99,34,000	91,23,000	98,92,000
Madras	1,33,889	1,81,301	1,44,798	1,64,000	1,63,000	1,56,000
Bombay	12,87,515	12,51,243	10,91,996	12,25,000	10,62,000	13,02,000
Bengal	34,916	21,905	22,915	17,000	22,000	28,000
United Provinces	1,78,333	1,93,651	1,99,448	2,01,000	2,91,000	2,58,000
Punjab	6,53,398	6,69,248	6,88,191	6,54,000	8,30,000	8,07,000
Burma	14,99,710	62,83,962	59,54,261	59,00,000	57,16,000	60,74,000
Bihar and Orissa	81,560	90,230	83,307	93,000	95,000	95,000
Central Provinces	44,307	40,045	30,694	1,27,000	38,000	43,000
Assam	3,84,096	17,80,389	17,56,938	18,24,000	23,53,000	19,64,000
Total	3,33,07,498	2,13,20,046	2,94,71,976	3,07,83,000	3,04,10,000	3,15,73,000
England	9,80,370	8,20,122	5,86,237	4,72,000	—3,89,000	4,67,000
Exchange	...	4,21,801	3,10,466	2,36,000	—1,77,000	2,02,000
Total	3,42,87,868	2,25,61,969	3,03,68,679	3,14,91,000	2,98,44,000	3,22,42,000

Revised, 1923-24.

45. There is a saving of R8·11 lakhs in the North-West Frontier Province owing to the full strength of the additional units and companies, for which provision was made in the Budget not having been entertained. The saving in England is due to recoveries found to be due to Indian revenues on an examination of the past accounts of diplomatic and consular expenditure. The Budget for 1924-25 provides for the full sanctioned strength of establishments.

Budget, 1924-25.

XXVII AND 38—CURRENCY.

	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	Budget, 1924-25.
	R	R	R	R	R
REVENUE.					
India	3,60,90,284	3,12,08,339	2,59,40,000	2,73,37,000	2,97,41,000
England	40,69,643	14,70,102	3,30,000	14,57,000	34,88,000
Exchange	20,93,075	8,30,279	1,65,000	6,63,000	15,10,000
TOTAL REVENUE	4,22,53,002	3,35,08,720	2,64,35,000	2,94,57,000	3,47,39,000
EXPENDITURE.					
India	27,84,437	27,56,168	30,39,000	30,80,000	29,98,000
England	41,54,075	39,18,333	43,00,000	41,06,000	21,97,000
Exchange	21,36,500	20,39,700	21,50,000	18,66,000	9,51,000
TOTAL EXPENDITURE	90,75,012	87,14,206	94,89,000	90,52,000	61,46,000

REVENUE.

India.

Budget, 1924-25.

46. The increase of R24·04 lakhs in revenue in the Budget for 1924-25 as compared with the Revised estimate for the current year is due mainly to the interest on the larger loans made from the Paper Currency Reserve against internal bills of exchange. It is proposed, as in the current year, to credit to revenue the interest on investments of the Paper Currency Reserve during the next year also.

England.

47. The increase of £112,700 in the Revised estimate for the current year as compared with the Budget and the further increase of £203,100 in the Budget for 1924-25 relate to the interest on British Treasury bills to the value of £14 millions purchased for the Paper Currency Reserve in the latter half of the current year—see paragraph 76.

EXPENDITURE.

Budget, 1924-25.

48. The large decrease of £190,900 in the Budget estimate for 1924-25 as compared with the Revised estimate for the current year is due to the contemplated discontinuance of the printing of the one rupee note.

EXCHANGE.

49. Since the 1st April 1920, the accounts have been prepared on the basis of the rate of 2*s.* per rupee for the conversion of rupee transactions into sterling and *vice versâ*. The sterling value of the rupee has however stood at a lower level in recent years, the average rate for the current year being expected to work out at 1*s.* 4½*d.* In consequence of this variation from the 2*s.* rate, large sums have to be brought to account as credits or debits on account of exchange in respect of transactions involving remittances of funds to and from the Secretary of State.

50. The following table shows the debits for exchange in respect of remittance and allied transactions which are expected to be brought to account in the current and next years, the estimates for next year being based on the assumption of an average rate of exchange of 1*s.* 4¾*d.* during the year :—

	(In lakhs of rupees.) 1923-24.	1924-25.
(*i*) Remittances from India for financing the Home Treasury	12,89	11,25
(*ii*) Bills and telegraphic transfers drawn by Mesopotamia for payment in India against recoveries in England	1,11	1,11
(*iii*) Sterling money order and other miscellaneous transactions	93	1,01
TOTAL	14,93	13,37

51. The procedure for the allocation of exchange gains and losses is as follows. All exchange gains and losses arising in respect of remittance transactions are recorded in the first instance under a suspense head; the portion attributable to the revenue and capital accounts in respect of outlay incurred in England is calculated every month on the basis of the average of the daily telegraphic transfer rates from Calcutta on London and transferred to these accounts, and the portion relating to expenditure of Provincial Governments is similarly debited to the Provincial Governments concerned; and it is considered with reference to the circumstances of each year whether the balance remaining under the suspense head after these transfers are made should be written off to revenue or kept in suspense against the possibility of opposite results in succeeding years.

52. Excluding a book adjustment in connection with the liabilities to be taken over by the Secretary of State on the expiry of the contract with the East Indian Railway Company, the following table shows the amounts chargeable to the revenue, capital and other heads during the current and next years on account of losses from exchange and the balance remaining under the suspense head after such allocation :—

	(In lakhs of rupees.) 1923-24.	1924-25.
Transferred to—		
Capital heads (Railways and Delhi)	5,26	5,22
Provincial Governments	95	1,32
Revenue account (net as detailed in statements A. and B.)	12,04	12,23
Total transfers	18,25	18,77
Appropriation of loss to revenue and capital in excess of actual loss on remittances	3,32	5,40
Net credit under suspense head for two years together	8,72	

53. Taking into account a credit of ₹5,47 lakhs which remained outstanding under the suspense head at the end of 1922-23, it is expected that there will be an outstanding credit balance of ₹8,79 lakhs at the end of 1923-24 awaiting clearance in subsequent years. The estimates for 1924-25 are subject to variation with reference to the actual remittance programme of the year.

XXXV AND 47—MISCELLANEOUS.

	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	Budget, 1924-25.
REVENUE.	₹	₹	₹	₹	₹
India	(a) 5,87,31,804	5,28,047	3,64,000	—1,28,000	5,03,000
England	62,56,334	7,03,508	5,14,000	1,96,38,000	20,29,000
Exchange	32,17,721	3,85,430	2,57,000	89,26,000	8,78,000
TOTAL REVENUE	6,82,05,859	16,76,985	11,35,000	2,84,36,000	34,10,000
EXPENDITURE.					
India	69,07,930	48,14,104	57,89,000	51,24,000	75,50,000
England	22,09,759	12,98,060	13,98,000	16,01,000	23,10,000
Exchange	11,36,510	6,89,908	6,99,000	7,28,000	10,00,000
TOTAL EXPENDITURE	1,02,54,199	68,02,072	78,86,000	74,53,000	1,08,60,000

(a) Includes ₹5,63,91,517 on account of "freight tax". It was replaced from 1922-23 by increased railway rates.

REVENUE.

Revised, 1923-24.

54. The Revised estimate for 1923-24 in England includes a credit of £1,675,000 equivalent at 1*s.* 4½*d.* to ₹2,43·63 lakhs out of the windfall of £3¼ million from the profits from the control of enemy ships—see paragraph 4; as well as a further credit of £257,000 (equivalent at 1*s.* 4½*d.* to 37 lakhs) on account of the profit from the sale of £2 millions of gold from the Paper Currency Reserve against payment in sterling in England.

Budget, 1924-25.

55. The Budget estimate for 1924-25 in England includes a credit of £175,000 out of the windfall mentioned above, but it is set off by a provision of 25 lakhs on the Indian side of the expenditure estimates for payment of *ex gratia* compensation to private individuals who suffered from enemy action during the war.

XXXVI AND 48.—ARMY.

		Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	1924-25, Budget.
EXPENDITURE.		R	R	R	R	R	R
India—							
Part A—Standing Army.							
Effective Services.							
Maintenance of the Standing Army		67,53,52,602	31,54,57,826	30,29,54,305	31,30,55,530	29,11,48,000	28,40,46,320
*Cost of Educational, etc., establishments and Working expenses of Hospitals, Depôts, etc.			11,86,56,841	9,40,68,632	8,72,92,700	9,24,52,000	8,27,19,750
Army Headquarters, Staff of Commands, etc.			2,50,64,010	2,14,39,704	2,02,82,720	2,04,03,000	2,05,19,510
Stock Account			−7,32,55,962	−2,98,64,230	−3,11,41,500	−3,54,99,000	−1,47,38,490
Special Services			8,40,35,980	5,45,82,360	1,42,11,580	2,16,41,000	57,94,780
Miscellaneous Charges			1,09,57,648	1,94,78,050	1,85,64,970	1,33,75,000	1,83,86,130
Unadjusted Expenditure		35,45,549	15,30,802	−24,84,020	...	...	...
TOTAL—*EFFECTIVE*	R	67,88,98,151	48,24,47,145	46,01,74,801	42,22,66,000	40,35,20,000	39,67,28,000
NON-EFFECTIVE SERVICES—							
Non-effective charges	R	2,48,11,966	3,65,55,901	5,92,75,452	5,48,27,000	5,64,97,000	5,38,86,000
Exchange on Home expenditure		5,45,96,910	5,96,05,751	...	...	...	...
Part B.—Auxiliary and Territorial Forces—Effective	R	...	69,40,941	95,45,770	1,07,54,000	1,01,87,000	1,11,95,000
Part C.—Royal Air Force—Effective	R	...	71,28,591	1,10,55,114	1,34,54,000	1,32,58,000	1,29,97,000
Non-effective	R	...	...	...	...	62,000	5,000
	R	...	71,28,591	1,10,55,114	1,34,54,000	1,33,20,000	1,30,02,000
TOTAL INDIA—Effective	R	73,34,95,061	55,61,22,428	48,07,75,685	44,64,74,000	42,69,65,000	42,09,20,000
TOTAL INDIA—Non-effective	R	2,48,11,966	3,65,55,901	5,92,75,452	5,48,27,000	5,65,59,000	5,38,91,000
		75,83,07,027	59,26,78,329	54,00,51,137	50,13,01,000	48,35,24,000	47,48,11,000
EXPENDITURE.							
England—		£	£	£	£	£	£
Part A—Standing Army.							
Effective Services.							
Maintenance of the standing Army		3,223,355	4,051,609	3,196,815	2,937,500	2,973,500	2,694,500
Cost of Educational, etc., establishments and working expenses of Hospitals, Depots, etc.		165,179	669,788	235,000	191,700	252,600	196,500
Army Headquarters, Staff of Commands, etc.		...	2,508	51,168	51,000	42,000	42,000
Stock account		2,395 847	2,011.176	1,813,415	1,441,300	1,160,500	1,575,900
Special services		899,104	241 184	453,622	415,000	800,000	1,050,000
Miscellaneous charges		1,049,752	930,082	740,124	633,500	728,800	638,000
TOTAL—*EFFECTIVE*	£	7,733,237	7,906,347	6,490,144	5,670,000	5,957,400	6,196,900
NON-EFFECTIVE SERVICES— Non-effective charges	£	3,186,145	3,336,836	3,422,486	3,563,000	3,624,800	3,748,200
Part C.—Royal Air Force—(Effective)		...	346,183	788,271	486,500	570,600	454,800
TOTAL ENGLAND	£	10,919,382	11,589,366	10,700,901	9,719,500	10,152,800	10,399,900
	R	10,91,93,820	11,58,93,655	10,70,09,013	9,71,95,000	10,15,28,000	10,39,99,000
TOTAL—EXPENDITURE Effective	R	81,08,27,436	63,86,47,725	55,35,59,841	50,80,39,000	49,22,45,000	48,74,37,000
TOTAL—EXPENDITURE Non-effective	R	5,66,73,411	6,99,24,259	9,35,00,309	9,04,57,000	9,28,07,000	9,13,73,000
	R	86,75,00,847	70,85,71,984	64,70,60,150	59,84,96,000	58,50,52,000	57,88,10,000
RECEIPTS.							
India—Effective	R	5,26,17,669	4,81,93,444	3,74,90,393	2,11,55,000	2,53,50,000	1,78,21,000
India—Non-effective	R	7,01,705	9,93,678	18,75,003	15,96,000	15,49,000	14,47,000
India—TOTAL	R	5,33,19,374	4,91,87,122	3,93,65,396	2,27,51,000	2,68,99,000	1,92,68,000
England	£	364,866	2,323,538	900,750	397,800	503,200	467,000
England—Effective	R	31,54,950	1,04,37,770	74,81,527	27,83,000	38,20,000	35,85,000
England—Non-effective	R	4,93,710	1,27,97,609	15,25,970	11,95,000	12,12,000	10,85,000
England—TOTAL	R	36,48,660	2,32,35,379	90,07,497	39,78,000	50,32,000	46,70,000
TOTAL—RECEIPTS Effective	R	5,57,72,619	5,86,31,214	4,49,71,920	2,39,38,000	2,91,70,000	2,14,06,000
TOTAL—RECEIPTS Non-effective	R	11,95,415	1,37,91,287	34,00,973	27,91,000	27,61,000	25,32,000
TOTAL—RECEIPTS TOTAL	R	5,69,68,034	7,24,22,501	4,83,72,893	2,67,29,000	3,19,31,000	2,39,38,000
TOTAL—NET EXPENDITURE India	R	70,49,87,653	54 34,91,207	50,06,85,741	47,85,50,000	45,66,25,000	45,55,43,000
TOTAL—NET EXPENDITURE England	R	10,55,45,160	9,26,58,276	9,80,01,516	9,32,17,000	9,64,96,000	9,93,29,000
TOTAL—NET EXPENDITURE Effective	R	75,50,54,817	58,00,16,511	50,85,87,921	48,41,01,000	46,30,75,000	46,60,31,000
TOTAL—NET EXPENDITURE Non-effective	R	5,54,77,996	5,61,32,972	9,00,99,336	8,76,66,000	9,00,46,000	8,88,41,000
TOTAL—NET EXPENDITURE TOTAL	R	81,05,32,813	63,61,49,483	59,86,87,257	57,17,67,000	55,31,21,000	55,48,72,000

NOTE.—Exchange on Home Charges and receipts (*i.e.* difference between sterling figures converted at £1=Rs. 15 and at £1=Rs. 10) for 1920-21 has been added to the Indian figures.

56. The net Army expenditure in 1923-24 is now estimated at R55,31·21 lakhs against a corresponding Budget provision of R57,17·67 lakhs. The reduction of R1,86·46 lakhs is made up of a decrease of

Revised, 1923 24, compared with Budget, 1923-24.

R2,19·25 lakhs in expenditure in India and an increase of R32·79 lakhs in expenditure in England.

India.

57. The decrease of R2,19·25 lakhs in India is the net result of several variations up and down, the more important of which are given below :—

(Lakhs of rupees.)

Decrease.

(i) Savings due to shortages, and reductions, in authorised establishments of fighting and ancillary services	1,20	
(ii) Reduction of British Cavalry and Artillery units which had effect during a portion of the year	28	
(iii) Fall in prices of foodstuffs	20	
(iv) Savings in the provision for proficiency pay of British soldiers, due to fewer recipients	35	
(v) Increase in credits from consumption or disposal of surplus stores	60	
(vi) Savings in the provision for diets for sick patients in hospitals, owing to reduction in the number of constantly sick	18	
(vii) Economy in charges of hired transport	7	
(viii) Lapse of the provision for National Health Insurance contribution for British soldiers, the expenditure being incurred by the Secretary of State in England	9	
(ix) Lapse in the grant for the Auxiliary and Territorial Forces, the budgeted establishments for which have not been fully worked up to	5	
(x) Savings due to shortage in the authorised establishments of the Royal Air Force	4	
(xi) Savings in the provision for loss by exchange on sterling expenditure in England, owing to rise in exchange	27	
		3,33

Increase.

(i) Larger expenditure in Waziristan owing to retention of additional establishments etc. for a longer period	31	
(ii) Charges on account of surplus officers of the Indian Army	30	
(iii) Increase in non-effective charges	30	
(iv) Increase in effective pay charges of officers, due to a reduction in the number of officers on long leave consequent on the gradual return of normal conditions in regard to leave	12	
(v) Arrear charges	10	
		1,13
Net decrease		2,20

England.

58. The principal items contributing to the increase of Rs. 32·79 lakhs in England are :—

(Lakhs of rupees.)
(1£ = Rs. 10).

Increase.

(i) Increase in expenditure connected with the demobilization of surplus officers of the Indian Army (As no settlement has yet been arrived at with His Majesty's Government in regard to their share of the expenditure, the whole of the expenditure is for the present being charged to Indian revenues)	39	
(ii) Increase in non-effective charges	6	
(iii) Provision for National Health Insurance contribution for British soldiers, a transfer from the Indian Estimates	6	
		51

	Decrease.	
(i) Receipt from the War Office in connection with the reduction in establishment of British troops	7	
(ii) Smaller expenditure on Furlough allowances of officers of the Indian Army . . .	6	
(iii) Smaller outlay on purchase of stores . . .	5	
		18
Net increase .		33

59. Of the sum of R60·25 crores allotted in the Budget for 1924-25 to meet the net expenditure on Military Services, R55,48·72 lakhs will be available for expenditure under the "Army" head, made up of R45,55·43 lakhs for expenditure in India and R9,93·29 lakhs in England. The former figure includes R4,30 lakhs on account of Exchange on net expenditure in England. The English expenditure includes £800,000 for the retirement of surplus officers of the Indian Army and £250,000 for the payment to the War Office of the balance of their claim in regard to exchange concession on war gratuities of British officers and soldiers. *Budget, 1924-25.*

60. As compared with the Budget for 1923-24, there is a decrease of R1,68·95 lakhs made up of a decrease of R2,30·07 lakhs in India and an increase of R61·12 lakhs in England. *Budget, 1924-25, compared with Budget, 1923-24.*

61. As compared with the Revised estimate for 1923-24, there is an increase of R17·51 lakhs made up of a decrease of R10·82 lakhs in India and an increase of R28·33 lakhs in England. *Budget, 1924-25, compared with Revised, 1923-24.*

XXXVII AND 49—MARINE.

		Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	Budget, 1924-25.
EXPENDITURE.							
India	R	1,11,87,620	1,31,11,067	1,13,49,218	71,46,000	72,69,000	66,76,000
England . . .	£	573,488	406,556	264,940	249,000	259,600	249,200
	R	57,34,883	40,65,559	26,49,400	24,90,000	25,96,000	24,92,000
Total—Expenditure . .	R	1,69,22,503	1,71,76,626	1,39,98,618	96,36,000	98,65,000	91,68,000
RECEIPTS.							
India	R	79,56,768	55,91,868	32,72,538	21,29,000	29,99,000	14,92,000
England . . .	£	...	53,379	...	...	...	...
	R	...	5,33,787	...	...	...	...
Total—Receipts .	R	79,56,768	61,25,655	32,72,538	21,29,000	29,99,000	14,92,000
TOTAL—NET EXPENDITURE. India .	R	32,30,852	75,19,199	80,76,680	50,17,000	42,70,000	51,84,000
TOTAL—NET EXPENDITURE. England .	R	57,34,883	35,31,772	26,49,400	24,90,000	25,96,000	24,92,000
TOTAL—NET EXPENDITURE. Total .	R	89,65,735	1,10,50,971	1,07,26,080	75,07,000	68,66,000	76,76,000

NOTE.—Exchange on Home charges (*i.e.*, difference between sterling figures converted at £1 = Rs. 15 and at £1 = Rs. 10) for 1920-21 has been added to expenditure in India.

Revised, 1923-24, compared with Budget, 1923-24.

62. The reduction in net expenditure of R6·41 lakhs in 1923-24 is mainly due to receipts from the sale of surplus stores, vessels and launches and from hire of certain trawlers to the Bombay Port Trust.

Budget, 1924-25, compared with Budget, 1923-24, and Revised, 1923-24.

63. The Budget for 1924-25 has been fixed at R76·76 lakhs, and is R1·69 lakhs more than the Budget for 1923-24 and R8·10 lakhs more than the Revised estimate for the year. The excesses result from an anticipated fall in receipts.

XXXVIII AND 50—MILITARY WORKS.

		Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	1924-25, Budget.
EXPENDITURE.							
India	R	5,47,28,975	5,18,30,288	4,74,71,301	4,18,50,000	4,35,95,000	4,15,60,000
England	£	127,255	121,944	152,889	50,500	86,000	47,800
	R	12,72,559	12,19,442	15,28,886	5,05,000	8,60,000	4,78,000
TOTAL	R	5,60,01,534	5,30,49,730	4,90,00,187	4,23,55,000	4,44,55,000	4,20,38,000
RECEIPTS.							
India	R	16,86,464	21,45,676	57,33,434	16,29,000	70,23,000	20,86,000
TOTAL—NET EXPENDITURE—India	R	5,30,42,511	4,96,84,612	4,17,97,867	4,02,21,000	3,65,72,000	3,94,74,000
TOTAL—NET EXPENDITURE—England	R	12,72,559	12,19,442	15,28,886	5,05,000	8,60,000	4,78,000
TOTAL—NET EXPENDITURE—TOTAL	R	5,43,15,070	5,09,04,054	4,32,66,753	4,07,26,000	3,74,32,000	3,99,52,000

Note.—Exchange on Home charges (*i.e.*, difference between sterling figures converted at £1 = R15 and at £1 = R10) for 1920-21 has been added to Expenditure in India.

Revised, 1923-24, compared with Budget, 1923-24.

64. The decrease of R32·94 lakhs in net expenditure is made up of (1) an abnormal credit (R41 lakhs) from sale proceeds of buildings constructed during the war which have hitherto been held in deposit, (2) other receipts by sale of surplus buildings, etc. (R13 lakhs), and (3) an increase in expenditure on works on the frontier, etc. (R22 lakhs).

Budget, 1924-25, compared with Budget, 1923-24.

65. Of the net grant of R60·25 crores for military services for 1924-25 it is proposed to allot R3,99·52 lakhs to Military Works Services. This provision includes about R30 lakhs for special expenditure in Waziristan.

Budget, 1924-25, compared with Budget and Revised, 1923-24.

66. The Budget for 1924-25 is less than the Budget estimate for 1923-24 by R7·74 lakhs and more than the Revised estimate for 1923-24 by R25·20 lakhs.

MILITARY SERVICES: SUMMARY.

		Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	Budget, 1924-25.
EXPENDITURE.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
India . .	₹	82,42,23,622	65,76,19,684	59,88,71,656	55,02,97,000	53,43,88,000	52,30,47,000
England . .	£	11,620,125	12,117,866	11,118,730	10,019,000	10,498,400	10,696,900
	₹	11,62 01,259	12,11,78,656	11,11,87,299	10,01,90,000	10,49,84,000	10,69,69,000
Total Expenditure	₹	94,04,24,881	77,87,98,340	71,00,58,955	65,04,87,000	63,93,72,000	63,00,16,000
RECEIPTS.							
India . .	₹	6,29,62,606	5,69,24,666	4,83,71,368	2,65,09,000	3,69,21,000	2,28,46,000
England . .	£	364,866	2,376,917	900,750	397,800	503,200	467,000
	₹	36,48,660	2,37,69,166	90,07,497	39,78,000	50,32,000	46,70,000
Total Receipts .	₹	6,66,11,266	8,06,93,832	5,73,78,865	3,04,87,000	4,19,53,000	2,75,16,000
NET EXPENDITURE — India	₹	76,12,61,016	60,06,95,018	55,05,00,288	52,37,88,000	49,74,67,000	50,02,01,000
NET EXPENDITURE — England	₹	11,25,52,599	9,74,09,490	10,21,79,802	9,62,12,000	9,99,52,000	10,22,99,000
NET EXPENDITURE — Total	₹	87,38,13,615	69,81,04,508	65,26,80,090	62,00,00,000	59,74,19,000	60,25,00,000

NOTE.—Exchange on Home charges and receipts (*i.e.*, difference between sterling figures converted at £1=Rs. 15 and at £1=Rs. 10) for 1920-21 has been added to the Indian figures.

Revised, compared with Budget, 1923-24.

67. In the Budget estimate for 1923-24, a grant of ₹62 crores was allotted for net expenditure on military services, inclusive of sterling expenditure in England converted at £1=Rs. 15. This figure was made up as follows:—

	Lakhs of rupees.
(1) For special expenditure in Waziristan	1,69·50
(2) For retirement of surplus officers of the Indian Army .	62·25
(3) For established charges of the Army, etc. (net) . .	61,93·25
(4) *Deduct*—Credit from consumption or disposal of surplus stocks of stores	2,25·00
	62,00,00

68. The Revised estimate of net expenditure is less than the Budget provision by about 226 lakhs. Of this reduction, about ₹46 lakhs represents saving on Exchange obtained from the conversion of sterling expenditure into rupees at 16½*d.* the rupee. Apart from this saving, the reduction in net expenditure amounts to 180 lakhs and is due wholly to shortages and reductions in authorised establishments of fighting and ancillary services, inclusive of reductions in British Cavalry and Artillery, and to economies in various directions. Other important variations from Budget anticipation are:—(1) an increase of about 75 lakhs in the credits from consumption or disposal of surplus stores of various classes; (2) a special credit of 41 lakhs on account of sale-proceeds of temporary buildings constructed during the war; (3) an increase of 88 lakhs in charges connected with the demobilisation of surplus officers of the Indian Army; and (4) an increase of 31 lakhs in the special expenditure in Waziristan.

Budget, 1924-25.

69. A grant of R 60·25 crores has been allotted for net expenditure on Military Services in 1924-25, inclusive of sterling expenditure in England converted at $16\frac{3}{4}d.$ the rupee. It is made up as follows:—

	Lakhs of rupees.
(1) For special expenditure in Waziristan	30
(2) For retirement of surplus officers and personnel and other special terminal charges	1,55
(3) For established charges of the Army, etc. (*net*) . .	58,40
	60,25

The provision under (3) includes R25 lakhs for payment of customs duty.

Budget, 1924-25, compared with Budget and Revised, 1923-24.

70. The proposed grant for net expenditure on Military Services in 1924-25 is less than the Budget for 1923-24 by R1,75 lakhs, but more than the Revised estimate for 1923-24 by R50·81 lakhs.

WAYS AND MEANS.

HOME TREASURY.

71. The bulk of the payments made in England on account of the Government of India consist normally of expenditure chargeable to the Indian revenues; and if such payments represented the only transactions, the Ways and Means programme would be a simple arrangement, as the whole of the expenditure would ordinarily be met by remittance of funds from India. The capital outlay on the construction of railways, however, necessitates heavy borrowing and a large portion of the money required has, when practicable, been raised in England, either direct or through the agency of Companies. Operations, connected with the Gold Standard and Paper Currency Reserves, and with the replacement of one particular form or item of direct or indirect debt by another further largely swell the receipts and charges of the Home treasury without affecting ordinarily the general Ways and Means programme. Recoveries are also being effected by the Secretary of State against the drawings of the Iraq administration on India, and to a smaller extent against disbursements made in India on behalf of His Majesty's Government. These recoveries represent in effect remittances from India to finance the Home treasury and reduce the amount of direct remittances which would otherwise be necessary.

72. The following is a summary of the transactions appearing in the Budget and Revised estimates of the Home Treasury for 1923-24, and in the Budget estimate of 1924-25 :—

	Budget, 1923-24.	Revised, 1923-24.	Budget, 1924-25.
RECEIPTS.	£	£	£
(1) Discount on loans raised in previous years brought to account as debt incurred	140,800	158,300	185,500
(2) Liabilities assumed by the Secretary of State in connection with the purchase of Railways	...	...	18,500,000
(3) Remittances between England and India—			
(a) Postal and Money Order transactions	450,000	1,130,000	226,000
(b) Recoveries on account of drawings by Iraq administration on India	2,750,000	2,427,000	2,560,000
(c) Other transactions	1,218 800	1,605,800	2,043,900
TOTAL RECEIPTS EXCLUDING DIRECT REMITTANCES AND LOANS	4,559,600	5,321,100	23,515,400
DISBURSEMENTS.			
(4) Excess of Expenditure of the Central Government over Revenue	28,742,300	26,500,100	28,265,500
(5) Expenditure incurred on behalf of Provincial Governments	2,288.600	2,101,900	3,047,000
(6) Capital Expenditure not charged to Revenue—			
(a) Outlay on State Railways	19,000,000	10,775,200	11,568,400
(b) Capital charge involved in redemption of liabilities	...	...	18,500,000
(c) Outlay on Irrigation Works and Delhi	85,800	73,300	53,800
(7) Discharge of railway debentures	...	715,500	451,000
(8) Deposits and advances	358,000	1,710,200	454,800
TOTAL DISBURSEMENTS	50,474,700	41,876,200	62,340,500
NET DISBURSEMENTS	45,915,100	36,555,100	38,825,100
FINANCED AS FOLLOWS—			
Remittances from India (net)	28,000,000	16,363,700	36,000,000
Debt incurred	15,000,000	18,000,000	...
Reduction of cash balance	2,915,100	2,191,400	2,825,100
TOTAL	45,915,100	36,555,100	38,825,100
Opening Balance	7,418,100	9,822,000	7,630,600
Closing Balance	4,503,000	7,630,600	4,805,500

73. The Revised estimate for the current year provides for a total disbursement by the Secretary of State and the High Commissioner for India of *Revised, 1923-24.*

£41·9 millions. The estimate allows for the transfer to revenue of £1,675,000 out of profits earned in previous years from the control of enemy ships by a corresponding charge to the head " Deposits and advances " where the profits were credited when they accrued. Eliminating this transfer, the net expenditure of the Central Government in England in excess of revenue amounts, according to the Revised estimate, to £28·2 millions. The other main disbursements are (*i*) £2·1 millions representing expenditure on behalf of Provincial Governments chargeable to their balances on deposit with the Central Government, (*ii*) £10·8 millions on account of Railway Capital outlay, and (*iii*) £715,000 for discharge of debentures issued by Railway Companies.

74. Apart from public borrowings and direct remittances from India, the resources available for meeting the above disbursements total £5·3 millions, namely (*i*) £2 4 millions recovered from the Colonial Office against drawings by the High Commissioner for Iraq which have been met in India, (*ii*) £1·1 millions on account of net receipts on account of sterling postal and money orders paid in India, and (*iii*) £1·8 millions on account of various miscellaneous receipts, mainly recoveries from His Majesty's Government against disbursements made on their behalf in India.

75. The Secretary of State floated in May 1923 a sterling loan for £20 millions carrying interest at 4½ per cent. and repayable in 1950-55, at an issue price of £90 per cent. The proceeds of the loan amounted to £18 millions.

76. The remittances from India by the sale of Council Bills and the purchase of sterling are expected to amount by the end of the year to £22·5 millions. A sum of £5·8 millions was transferred during the middle of the year from the holding of British treasury bills on behalf of the Paper Currency Reserve to the cash balances of the Secretary of State. On the other hand, with the object of effecting sterling remittances when the opportunity offered and at the same time affording some relief to the monetary position in India, a sum of £12 millions out of the above remittance was treated as made on behalf of the Paper Currency Reserve in the latter part of the year, in other words British treasury bills of this value were deposited in the Reserve in England against currency notes issued in India. Again, a sum of £2 millions was received in sterling in England against gold sold from the Paper Currency Reserve holding in India, and was invested in British treasury bills on behalf of the Reserve in England. The net result of these remittance operations is an addition of £16·4 millions to the Secretary of State's cash balances, and the holding of British Treasury bills in the Paper Currency Reserve at the end of the year will amount to £14 millions against £5·8 millions at the beginning.

77. The net disbursements in England mentioned above amount to £36·6 millions, against which £34·4 millions are available from the proceeds of the sterling loan and remittances from India. The balance of £2·2 millions will be met from the cash balances which will accordingly stand at £7·6 millions at the end of the year against £9·8 millions at the beginning.

78. The broad variations in the above programme from that contemplated in the Budget, are as follows. The receipts from the sterling loan were £3 millions more than assumed in the Budget, the capital outlay on railways is expected to fall short of the Budget by £8·2 millions, and other miscellaneous transactions will show an improvement of £1·1 million. On the other hand, the remittances from India were in the net less by £11·6 millions.

Budget, 1924-25.

79. The disbursements by the Secretary of State and the High Commissioner in the coming year are now estimated at £43·8 millions, namely, excess of expenditure of the Central Government over revenue £28·3 millions, expenditure on behalf of Provincial Governments £3 millions, Railway capital outlay £11·6 millions, and discharge of railway debentures and net issues under deposits and advances £0 9 million.

80. It is expected that the Secretary of State will recover £2·6 millions from the Colonial Office against drawings on India by the High Commissioner for Iraq, while miscellaneous receipts (mainly recoveries from His Majesty's Government of disbursements on their behalf in India) will amount to £2·4 millions—a total of £5 millions.

81. The deficiency in resources is thus £38·8 millions. The estimates provide for its being met to the extent of (*i*) £36 millions by remittances from India in one form or another, and (*ii*) £2·8 millions by a reduction of the cash balances from £7·6 millions at the beginning of 1924-25 to £4·8 millions at its end. It is not possible to indicate at present the precise form which the remittances from India aggregating £36 millions will take as this must depend on circumstances from time to time during the year; but it is assumed for the purpose of the estimates that £10 millions of the remittance will be obtained by a withdrawal from the Paper Currency Reserve in England against a corresponding payment into the Reserve in India. The estimates do not provide for the issue of any sterling loan next year, but discretion is reserved as usual to issue a loan if that course is considered desirable.

82. The Budget estimates for 1924-25 include a debit of £18½ millions under the head "capital charge involved in redemption of liabilities" and an equivalent credit as debt incurred in respect of the debenture stock of the East Indian Railway Company for which the Secretary of State will incur liability on the termination of the company's contract.

83. The following are the details of the transactions of the Gold Standard Reserve in England:— *1923-24 and 1924-25.*

Gold Standard Reserve.

	1923-24.		1924-25.
RECEIPTS.	Budget.	Revised.	Budget.
	£	£	£
(*a*) Dividends on investments, discount on treasury bills, interest on loans at short notice, etc.	1,076,300	1,250,200	1,504,100
(*b*) Exchequer Bonds, British treasury bills and Colonial Government securities, etc., paid off	140,991,000	121,429,000	102,403,100
Total	142,067,300	122,679,200	103,907,200
CHARGES.			
Investments made	141,009,000	121,379,300	102,486,800
Appropriation for the reduction of created securities in the Paper Currency Reserve in Revised 1923--24 against short appropriation in 1922-23	...	47,500	...
Appropriation to Revenue	1,058,300	1,252,400	1,420,400
Total	142,067,300	122,679,200	103,907,200

84. The following statement shows the transactions and balances of the fund in the two years taken together:—

	1923-24.		1924-25.
OPENING BALANCE—	Budget.	Revised.	Budget.
	£	£	£
(*a*) Invested (cost price)	40,141,700	40,001,700	39,952,000
(*b*) Uninvested — Cash at the Bank of England	1,800	3,700	3,700
	40,143,500	40,005,400	39,955,700
CLOSING BALANCE—			
In England—			
(*a*) Invested (cost price)	40,159,700	39,952,000	40,035,700
(*b*) Uninvested— Cash at the Bank of England	1,800	3,700	3,700
	40,161,500	39,955,700 (*a*)	40,039,400 (*a*)
Difference between opening and closing balances representing Interest, etc., on investments in England *less* appropriation for the reduction of created securities in the Paper Currency Reserve, or to Revenue (*vide* preceding paragraph)	18,000	—49,700	83,700

(*a*) These figures are based on the cost price of investments for the Reserve. The excess over £40 millions on the basis of current market prices will be appropriated to revenue.

INDIA.

85. The following is a summary of the estimates of Ways and Means in India during 1923-24 and 1924-25 :—

	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
RECEIPTS.	R	R	R
1. Excess of Revenue of the Central Government over Expenditure charged to Revenue	29,55,09,000	28,56,08,000	28,45,02,000
2. Capital contributed by Railway Companies towards outlay on State Railways	...	—32,52,000	—19,52,000
3. Unfunded Debt incurred—			
(a) Post Office Cash Certificates (net)	—47,00,000	5,26,00,000	1,50,00,000
(b) Savings Bank deposits (net)	5,50,95,000	5,17,74,000	5,99,33,000
4. Other Deposits and Remittances (net)—			
(a) Exchange on Remittance Accounts	8,70,80,000	3,32,27,000	5,40,32,000
(b) Appropriation for reduction of created securities in the Paper Currency Reserve	...	2,97,72,000	...
(c) Other transactions	2,64,44,000	—32,19,000	1,90,35,000
5. Transfers from the Paper Currency Reserve	...	12,00,00,000	...
6. Balances of Provincial Governments	1,08,74,000	7,14,00,000	4,47,000
TOTAL RECEIPTS EXCLUDING LOANS	47,03,02,000	63,79,10,000	43,09,97,000
DISBURSEMENTS.			
6. Capital Expenditure not charged to Revenue—			
(a) State Railways	19,63,95,000	12,83,12,000	18,43,16,000
(b) Irrigation Works	22,000	5,000	...
(c) Posts and Telegraphs	94,30,000	96,65,000	1,73 95,000
(d) Initial expenditure on new Capital at Delhi	1,88,42,000	1,74,69,000	1,41,62,000
7. Permanent Debt discharged (net)	6,98,52,000	4,91,41,000	1,82,93,000
8. Floating Debt discharged —			
Treasury bills issued to the public (net)	5,50,00,000	19,46,00,000	2,13,00,000
9. Loans to Provincial Governments (net)	13,46,77,000	11,32,26,000	12,72,62,000
10. Loans to Indian States, etc. (net)	—6,67,000	—20,44,000	—6,70,000
11. Remittances between England and India—			
(a) Remittances from India for financing Home Treasury	28,00,00,000	28,36,37,000	36,00,00,000
(b) Drawings by the Iraq administration recoverable in England	2,75,00,000	2,42,70,000	2,56,00,000
(c) Other transactions (net)	2,05,88,000	2,12,55,000	2,23,04,000
TOTAL DISBURSEMENTS	81,16,39,000	83,95,86,000	78,99,62,000
NET DISBURSEMENTS	34,13,37,000	20,16,26,000	35,89,65,000
FINANCED AS FOLLOWS :			
Debt incurred	25,00,00,000	23,97,47,000	20,00,00,000
Reduction of Treasury Balances	9,13,37,000	—3,81,21,000	15,89,65,000
TOTAL	34,13,37,000	20,16,26,000	35,89,65,000
Opening Balance	23,89,58,000	25,95,80,000	29,77,01,000
Closing Balance	14,76,21,000	29,77,01,000	13,87,36,000

86. The following table shows the estimates of total capital outlay of the Central Government, net expenditure of the Central Government charged to revenue, and net transactions of Provincial Governments in the current and next years, and their distribution between India and England :—

(In lakhs of rupees.)

	Revised, 1923-24.			Budget, 1924-25.		
	India inclusive of adjustment for exchange.	England.	Total.	India inclusive of adjustment for exchange.	England.	Total.
(i) Capital outlay not charged to revenue—						
(*a*) Railways . .	12,83	10,78	23,61	18,43	11,57	30,00
(*b*) Indian Postal and Telegraph Department .	97	...	97	1,74	...	1,74
(*c*) New Capital at Delhi	1,75	7	1,82	1,42	5	1,47
Total .	15,55	10,85	26,40	21,59	11,62	33,21
(ii) Net expenditure of Central Government charged to revenue .	—28,56	26,50	—2,06	—28,45	28,27	—.18
(iii) Net drawings of Provincial Governments .	—7,14	2,10	—5,04	—.4	3,04	3,00
GRAND TOTAL .	—20,15	39,45	19,30	—6,90	42,93	36,03

87. The estimates relating to England shown in the above table have been dealt with in connection with the Ways and Means position of the Secretary of State. Those relating to India will be found in the table in paragraph 85 summarising the Ways and Means position in India.

88. The following table shows the assets available for the reduction of created securities in the Paper Currency Reserve in the two years :—

(In lakhs of rupees.)

	Revised, 1923-24.	Budget, 1924-25.
Excess in assets of Gold Standard Reserve over £40 millions (relating to 1922-23)	5	...
Exchange on the above	2	...
Exchange in respect of the transfer of £5,848,000 from the Paper Currency Reserve to Treasury balances in England	2,91	...
	2,98	...

89. The interest realised on the investments of the Paper Currency Reserve was earmarked for this purpose by the Indian Paper Currency Amendment Act, XLV of 1920; the Indian Finance Acts, 1922 and 1923, however, suspended this provision temporarily for the three years ending 31st March 1924, and the Indian Finance Act, 1924, has suspended it for one year more. Credit for the interest has accordingly been taken to revenue in the current year's Revised and next year's Budget. When the Act of 1920 was before the Legislature, an undertaking was given on behalf of Government that the assets of the Gold Standard Reserve in excess of £40 millions would be applied to the same purpose, but it has been decided to credit them also to revenue in the current year and it is proposed to follow the same procedure for next year.

90. There was no cancellation of created securities during the current year, the credit of R2,98 lakhs mentioned above being set off against an excess cancellation effected in 1922-23. In consequence of the decision to credit to revenue both the interest on investments in the Paper Currency Reserve and the assets

of the Gold Standard Reserve in excess of £40 millions, no sums will be specifically available next year for the reduction of created securities. The holdings of Indian Treasury bills in the Paper Currency Reserve will continue to stand at R49,65 lakhs at the close of this as well as the next year.

91. The following table summarises the disbursements in India in the current and next years as at present estimated :—

(In lakhs of rupees.)

	Revised, 1923-24.	Budget, 1924-25.
(i) Discharge of debt other than treasury bills	4,91	1,83
(ii) Discharge of treasury bills held by the public	19,46	2,13
(iii) Loans to Provincial Governments (net)	11,32	12,72
(iv) Remittances from India for financing the Home Treasury (net)—see paragraphs 76 and 81	16,36	36,00
(v) Drawings by the Mesopotamian Administration against recoveries in England	2,43	2,56
(vi) Miscellaneous deposits, advances and remittances	—41	46
Total	54,07	55,70

92. The details of the entries against item (*i*) in the preceding paragraph are as follows :—

(In lakhs of rupees.)

	Revised, 1923-24.	Budget, 1924-25.
(*a*) Discharge of debt through purchases for sinking funds	41	1,34
(*b*) Annual instalment in repayment of Gwalior 4 per cent. loan of 1887	12	2
(*c*) War Bonds, etc., converted into current loan or discharged	1,78	27
(*d*) Discharge of 4 per cent. Terminable Loan	2,60	20
Total	4,91	1,83

93. The resources available in the two years for meeting the above disbursements are estimated as follows :—

(In lakhs of rupees.)

	Revised, 1923-24.	Budget, 1924-25.
(i) Proceeds of rupee loan in India	23,97	20,00
(ii) Net receipts from Savings Bank deposits	5,18	6,00
(iii) Net receipts from Post Office cash certificates	5,26	1,50
(iv) Net credits from exchange adjustments—*vide* paragraph 52	3,32	5,40
(v) Excess of revenue in India over expenditure including Provincial drawings (net)—*vide* paragraph 86	20,15	6,90
Total	57,88	39,80

1923-24. Rupee loans.

94. The total receipts from the new rupee loan, subscriptions for which were received from the 4th July 1923 amounted to R23,97 lakhs, inclusive of R4 lakhs from the post office section of the loan. The receipts consisted of R14,18 lakhs from the ten year 5 per cent. Bonds, 1933, and R9,79 lakhs from the 5 per cent. Income-tax free loan, 1945-55. The receipts from the post office section were negligible as the loan was open only for five working days. War bonds, 1923, of a total value of R8 lakhs and treasury bills of a discounted value of R1½ lakhs were received in payment of subscriptions to the loan. The gross receipts and payments on account of cash certificates are expected to amount to R6,88 lakhs and R1,62 lakhs respectively during the current year, the net receipts thus amounting to R5,26 lakhs.

95. The entry relating to the proceeds of the rupee loan to be raised next year is as usual provisional and Government reserves discretion to vary the borrowing programme during the year.

96. The Budget estimate assumed that there would be a net deposit of R1,00 lakhs into postal savings banks in the current year; the net deposit is now expected to amount to R90 lakhs. The Budget estimate for 1924-25 provides for a net deposit of R1,00 lakhs. *Post Office Savings Banks.*

97. The disbursements enumerated in paragraph 91 are less than the available resources detailed in paragraph 93 by R3,81 lakhs in the current year and exceed the same by R15,90 lakhs for next year. The cash balance in India at the end of 1923-24 will thus stand at R29,77 lakhs against R25,96 lakhs at the beginning of the year and will be reduced to R13,87 lakhs by the end of 1924-25. The outstandings of treasury bills with the public amounted to R21,59 lakhs on the 1st April 1923; it is expected that they will be reduced to R2,13 lakhs by the 31st March 1924. Provision has been made in 1924-25 for the discharge of the outstanding balance of R2,13 lakhs, so that there will be no treasury bills in the hands of the public at the end of 1924-25. Here again discretion is reserved to issue bills, if necessary.

A. C. McWATTERS.

The 28th March 1924.

APPENDIX I.

PRO FORMÂ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

Prefatory Note.

I.—Scope of *pro formâ* account.

The following *pro formâ* account, with its supporting statements, exhibits the expenditure, initial and annual, on Delhi and the Delhi Province and also any receipts and savings which form a direct set-off to that expenditure. The account has been prepared in consultation with the Auditor General and carries his approval as regards both its form and its substantial completeness at the present date subject to the qualifications implied in the following prefatory remarks; it will be added to, or amplified later, if experience should show this to be necessary.

2. The main item of the account, as regards non-recurring expenditure, is the Delhi project proper, the figures for which appear against item 1 of Part I.—*Initial Outlay*. The principal recurring charge is that representing the expenditure in the new province, which appears as item 1 of Part II.—*Annual Expenditure*.

3. The account necessarily exhibits any expenditure occurring under the named heads, without qualification on account of contributory causes. It must, therefore, be clearly understood that the increase of expenditure, including that in the Delhi Province, is not wholly due to the change of Capital. Thus, an increase of the garrison at Delhi on strategic grounds had been already independently and strongly recommended to the Government of India by the Chief of the General Staff and endorsed by His Excellency the Commander-in-Chief in July 1911, before the transfer of the Capital had been officially proposed, and the construction of the accommodation of the troops already there had long been recognised as pressing. Similarly the recent advance in the policy relating to education and sanitation, particularly the latter, would, under any circumstances, have involved increased expenditure in this city. For practical purposes, these considerations must be ignored in the figured statements, as well as various similar points of minor pecuniary significance. The same principle will be applied to the Railway expenditure, *i.e.*, the cost of any remodelling of the railway system which is connected with the constitution of the new Capital will be exhibited in full in the *pro formâ* account. A wholly independent railway requirement, such as the permanent marshalling yard which will eventually replace the temporary yard now in use, will not be shown.

II.—*Relation between the* pro formâ *account and the regular accounts.*

4. A brief explanation is added below connecting the various items in the *pro formâ* account with the entries in the published accounts and estimates. Some further explanations are also to be found in the account itself and in its supporting statements.

5. The capital expenditure directly incurred on the construction of the new Imperial Capital at Delhi is shown in the regular accounts under the special head "57—Initial Expenditure on the new Capital at Delhi." The only other item of expenditure which will be recorded in the capital section of the regular accounts is that arising from diversions or re-arrangements of the railway system, which will appear under the head "53—State Railways". Item 1 of Part I of *pro formâ* account. Item 3(*b*), *ibid.*

6. The initial expenditure incurred during the years 1911-12 and 1912-13 in connection with the provision of temporary accommodation for the Government of India at Delhi, pending the construction of the new Capital, has been treated, on the advice of the Auditor General, as a revenue charge, under a special minor head styled "Temporary Delhi" subordinate to the major head "41—Civil Works". Any non-recurring receipts which may eventually be obtained in connection with these temporary works, *e.g.*, from the sale of lands and buildings when no longer required by the Government of India, will be similarly credited under a special head subordinate to the major head "XXX—Civil Works". Item 2, *ibid.* Item II, *ibid.*

Items 1 and I of Part II of *pro formâ* account.

7. The remaining expenditure is mainly brought to account in one of two ways: either, first, as expenditure of the new Province; or secondly as departmental expenditure chargeable to the Department in which it is incurred.

8. The expenditure and receipts appertaining to the *quasi*-provincial administration of the Imperial area are brought to account in the same way as in the case of other minor administrations and are eventually published separately, like the figures for Coorg and Baluchistan, in an appendix to the Civil Estimates. It will be noted that any grants which may be specially given from Imperial revenues in aid of the Delhi Municipality or other local funds will be brought into the regular accounts and consequently, into the *pro formâ* account also, since they will appear as charges of the Delhi administration.

Items 3 (*a*) and III of Part I of *pro formâ* account.

9. Expenditure which does not appertain to provincial administration is recorded, as in the case of other provinces, under its appropriate departmental head in the regular accounts. Thus expenditure on the land and buildings required for the new Cantonment, and any corresponding receipts, appear under the Army and Military Works heads respectively, under both of which a special Delhi sub-head has been opened. Railway capital outlay has already been referred to. Railway revenue charges and receipts similarly come under the Railway account head. In these cases, the *pro formâ* account necessarily exhibits only initial expenditure and non-recurring receipts, as Military expenditure is not being permanently increased and the influence of the new Capital on the ordinary daily receipts and working expenses of the Railways cannot evidently be satisfactorily isolated. This latter consideration also applies to the case of Postal and Telegraph expenditure, which moreover represents ordinary administrative expenditure of the department, and is relatively insignificant in amount. For these reasons, in the case of this department neither the initial outlay nor the recurring receipts and expenditure have been included.

Items 4 to 7 and I and IV of Part I, and Items 2 and 3 and II to V of Part II of *pro formâ* account.

Item I of Part I.

10. There are also a few items of expenditure and of actual receipt or of definite saving which are not recorded in the accounts of the Delhi Province or in the departmental accounts, but which it is necessary to take into consideration in calculating the expenditure on Delhi and the Delhi Province. Most of these are self-explanatory, but attention may be called to the intended treatment of the sale-proceeds of vacated lands and buildings at Calcutta (if any) and elsewhere. These will be credited under the major heads "XXXV—Miscellaneous" and "XXX—Civil Works", and the *pro formâ* account will take credit only for actual Imperial receipts. No account will be taken, in the statements themselves, of book transactions, or of the considerable savings obtained from the vacation of rented accommodation, *i.e.*, of relief in respect of rental payments which the Local Government obtains by giving up private buildings previously leased for provincial establishments, and moving the latter into offices formerly occupied by the Government of India. Any reference made to such saving will, therefore, be found in an explanatory footnote [See Part I, Note 5.]

11. Outlay on stores and all other expenditure incurred in England under a capital head or as a revenue charge, which can be distinguished as appertaining to the construction of Delhi or to the administration of the Delhi Province, have been included in the *pro formâ* account.

PRO FORMÁ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART I.—INITIAL OUTLAY.

[Figures in thousands of Rupees.]

EXPENDITURE.	Actuals to end of 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
1. DELHI PROJECT: Capital outlay on permanent Delhi chargeable to Head "57" (for details see Statement I-A)	8,02,06	1,82,00	1,47,00
2. Temporary Delhi*	54,33	...	...
3. Initial expenditure of non-Civil Departments :—			
(*a*) Military Services†	91,20	3,44	5,30
(*b*) Railways ‡	52,49	24,69	22,22
4. Non-recurring grant to the Punjab Government in compensation for expenditure incurred on new headquarters buildings for the Commissionership transferred from Delhi	1,36	...	...
5. Cost of withdrawal to Delhi of Imperial offices previously located at Calcutta or elsewhere	2,03	...	2,00
6. Special non-recurring monetary concessions to establishments of the Government of India and attached offices on the occasion of their first move to Delhi	5,22	51	51
7. Miscellaneous items§	7,65	99	99
TOTAL	10,16,34	2,11,63	1,78,02

RECEIPTS.	Actuals to end of 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
I.—Receipts which may be obtained on account of Imperial buildings vacated by the Government of India or attached offices in consequence of the move	...	...	...
II.—Non-recurring receipts on account of Temporary Works	2	...	...
III.—Recoveries on account of land or buildings vacated in the old Cantonment of Delhi‖	...	...	...
IV.—Miscellaneous items	5,99	1,89	2,49
TOTAL	6,01	1,89	2,49

Total Expenditure to end of 1924-25	14,05,99	
Net Expenditure to end of 1924-25	13,95,60	
Total Receipts to end of 1924-25		10,39

*NOTE 1.—The head "Temporary Delhi" has been closed from 1st April 1913, subsequent expenditure being treated as part of the expenditure of the Delhi Province—see Part II of Account.

†NOTE 2.—The expenditure included under item 3 (*a*) is that relating to the formation of the new Cantonment. Its details are as follows :—

	To end of 1922-23.	Revised, 1923-24.	Budget, 1924-25.
Acquisition of land	13,10	10	...
Cost of buildings	69,86	2,99	4,81
Establishment charges	6,27	27	44
Tools and Plants	1,97	8	5
TOTAL	91,20	3,44	5,30

‡NOTE 3.—The figures relate to charges for the acquisition of land and outlay on railway facilities at Nangal Raya. Item 3 (*b*) includes figures on account of Delhi New Capital Railway Works also.

§NOTE 4.—The expenditure shown against item 7 represents mainly the proportionate cost of the Deputy Accountant General, Central Revenues, Delhi, and the cost of temporary establishments employed in the Secretariats and Government Central Press in connection with the change of Capital.

‖NOTE 5.—These heads will record only actual receipts obtained from the sale of the vacated buildings and land. As explained in paragraph 10 of the prefatory note, this procedure has the effect of excluding a substantial true saving in respect of rental accommodation. Thus from 1913-14 to 1922-23 the Government of Bengal, by moving their offices into the vacated Imperial buildings in Calcutta, saved R7,69,800 partly by being enabled to dispense with private accommodation previously leased, and partly by being relieved from the necessity of renting further accommodation.

PRO FORMÁ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART II.—ANNUAL EXPENDITURE.

[Figures in thousands of Rupees.]

Expenditure.	Actuals, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.	Receipts.	Actuals, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
1. Expenditure of Delhi Province * . .	56,12	50,93	51,71	I.—Revenue of Delhi Province* . . .	30,62	30,11	30,37
2. Miscellaneous items .	42	50	44	II.—Saving under Calcutta house allowances .	48	46	45
				III.—Saving under hill journey and travelling allowances and contingencies on account of shorter move of Secretariat and attached offices.† . .	2,50	2,50	2,50
Total expenditure .	56,54	51,43	52,15	IV.—Miscellaneous items	3	3	3
Net expenditure .	22,91	18,33	18,80	Total receipts .	33,63	33,10	33,35

* NOTE 1.—The details of this item are given in Statement II-A.

NOTE 2.—The figures shown against item III will be subject to increase as additional offices are successively transferred from Calcutta to Delhi.

† NOTE 3.—The figure shown against item IV to a minimum figure calculated once for all on the assumption that all offices or portions of offices which previously moved between Calcutta and Simla have subsequently moved regularly between Delhi and Simla. The actual saving throughout has been larger owing to certain establishments which previously moved to Calcutta being retained in Simla throughout the cold weather.

STATEMENT I.-A.

Details of Capital outlay on the Delhi Project working up to the total figures shown against item 1 in Part I of pro formâ *account.*

[Figures in thousands of Rupees.]

Items.	Actuals to end of 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
A.—Salaries and allowances—			
(*a*) Preliminary Investigation—			
(i) Gazetted officers	2,04	...	...
(ii) Non-gazetted officers	14	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(i) Gazetted officers	56,33	10,09	9,09
(ii) Non-gazetted officers	34,98	7,21	8,13
(*c*) Miscellaneous officers (including all others) employed on the Project—			
(i) Gazetted officers	4,19	41	37
(ii) Non-gazetted officers	3,02	32	39
B.—Travelling allowances of Officers and Establishment—			
(*a*) Preliminary Investigation—			
(i) Gazetted officers	23	...	...
(ii) Non-gazetted officers	2	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(i) Gazetted officers	5,22	67	67
(ii) Non-gazetted officers	3,04	55	5
(*c*) Miscellaneous officers (including all others) employed on the Project—			
(i) Gazetted officers	42	9	9
(ii) Non-gazetted officers	18	4	4
C.—Supplies, Services and Contingencies—			
(*a*) Preliminary Investigation	51	...	...
(*b*) Public Works and Electrical officers employed on the Project	4,32	64	64
(*c*) Miscellaneous officers employed on the Project	42	1	1
Less—On account of exchange	...	1,48	1,15
Total A, B and C	1,15,06	21,51	21,13
Deduct—Credits from other heads of accounts	*23,86*	*2,64*	*4,47*
Net Total A, B and C	91,20	18,87	16,66
D.—Works Expenditure—			
(i) Buildings	...	...	...
(*a*) Government House	40,49	13,50	20,00
(*b*) Secretariat	68,06	26,80	35,00
(*c*) Other buildings	1,33,96	29,00	59,18
(*d*) Legislative Chambers	7,89	13,36	30,00
(ii) Communications	18,34	6,50	7,05
(iii) Miscellaneous Public Improvements	9 48	2,50	6,45
(iv) Electric Light and Power	22,52	11,70	15,00
(v) Irrigation	31,08	7,07	2,50
(*vi*) Sanitation including storm-water drains, sewage and sewage disposal, water-supply, and conservancy.	69,29	20,75	17,00
(vii) Tools and plants	77,31	6,00	1,80
(viii) Stock and Suspense	86,01	5,21	—25,00
(ix) Miscellaneous including surveys camps and general preliminary expenditure connected with works.	83,16	7,68	—3,00
(x) Maintenance during construction	43,32	11,59	11,00
(xi) Railway diversion	11,63	4,39	—1,75
E.— Acquisition of land taken up for the Project	33,62	17	...
F.—Other Miscellaneous expenditure	6	...	...
Reserve for fluctuation in exchange	...	...	1,50
Minus Reserve	...	...	- 43,39
Deduct—Receipts on Capital Account	*25,36*	*3,00*	*3,00*
Total	8,02,96	1,82,00	1,47,00

STATEMENT II-A.

Revenue and Expenditure of Delhi Province.

[Figures in thousands of rupees.]

Revenue.				Expenditure.			
Major heads of Account.	Actuals, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.	Major heads of Account.	Actuals, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
I.—Customs	1,41	1,34	1,34	2 Taxes on Income	15	16	23
II.—Taxes on Income	8,27	8,00	8,00	5. Land Revenue	38	38	38
IV.—Opium	23	28	28	6. Excise	16	11	11
V.—Land Revenue	3,32	3,47	3,47	7. Stamps	11	11	11
VI.—Excise	4,49	4,44	4,44	9. Registration	8	9	9
VII.—Stamps	7,21	7,97	7,97	15. Miscellaneous Irrigation Expenditure	2	27	50
IX.—Registration	43	41	41	22. General Administration	3,05	3,50	3,26
XIV.—Irrigation works for which no capital accounts are kept	6	5	5	23. Audit (*a*)	45	53	44
XVI.—Interest	10	18	18	24. Administration of Justice	1,83	1,75	1,80
XVII.—Administration of Justice	36	42	42	25. Jails and Convict settlements	1,19	1,23	1,41
XVIII.—Jails and convict settlements	19	20	20	26. Police	9,60	8,23	8,26
XIX.—Police	24	13	14	28. Ecclesiastical	32	43	45
XXI.—Education	15	15	15	29. Political	1	1	1
XXII.—Medical	9	8	8	30. Scientific Departments	38	1	1
XXVI.—Miscellaneous Departments	6	4	5	31. Education	4,42	5,30	5,28
XXX.—Civil Works	2,44	2,00	2,23	32. Medical	3,47	3,31	3,41
XXXIII.—Receipts in aid of Superannuation, etc.	4	6	6	33. Public Health	54	72	77
XXXIV.—Stationery and Printing	7	8	8	34. Agriculture	30	17	18
XXXV.—Miscellaneous	1,36	81	82	35. Industries	4	2	3
				37. Miscellaneous Departments	...	...	...
				38. Currency	4	5	5
				41. Civil Works	15,91	13,60	12,32
				41. Civil Works—Viceregal Estates, Delhi	1,57	1,55	1,65
				44. Territorial and Political Pensions	46	48	48
				45. Superannuation, etc.	2,58	3,01	3,14
				46. Stationery and Printing	8	9	9
				47. Miscellaneous	7,46	3,46	4,91
				Refunds	1,52	2,35	2,34
Total	30,62	30,11	30,37	Total	56,12	50,93	51,71

(*a*) Exclusive of the portion of the cost of the office of the Deputy Accountant General, Central Revenues, Delhi, debitable to Part I.

APPENDIX II.

COMMERCIAL AND FINANCIAL STATISTICS.

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COMMERCIAL AND

Table I.—

	1915-16.	1916-17.	1917-18.
Recorded revenue compared with recorded expenditure excluding Capital Expenditure on Railways, Irrigation works, Telegraphs and the Delhi Capital not charged against Revenue—			
Surplus . . . . . R	...	11,21,72,550	12,13,06,110
Deficit . . . . . R	1,78,29,915	...	...
Capital Expenditure on Railways and Irrigation Works not charged against Revenue . . . . . R	8,38,35,975	3,57,66,465	5,91,66,825
Capital charge involved in the purchase of Railways . . . . . R	...	...	...
Capital outlay on the Indian Postal and Telegraph Department not charged against Revenue . . . . . R	...	...	...
Initial Expenditure on new Capital at Delhi . . . . . R	49,69,110	36,64,455	37,58,145
India's Financial Contribution to the War . . . . . R	...	...	1,50,00,00,000
Net Public Debt incurred . . . . . R	3,56,97,510	11,56,72,620	1,73,76,00,090
Net Public Debt incurred, including Capital transactions with Railway Companies . . . . . R	8,64,25,637	11,29,52,367	1,72,94,94,174
Value of commodities exported, excluding Gold and Silver . . . . R	1,99,48,00,000	2,17,37,70,000	2,44,90,40,000
Ditto imported, ditto ditto . . . . R	1,38,16,90,000	1,60,24,90,000	1,64,35,50,000
Excess of Exports over Imports, excluding Gold and Silver . . . . R	61,31,10,000	87,12,80,000	80,54,90,000
Net Imports of Gold . . . . . R	†—*1,10,90,000*	13,23,50,000	25,17,80,000
Ditto of Silver . . . . . R	4,83,00,000	18,80,00,000	19,04,20,000
TOTAL NET IMPORTS OF GOLD AND SILVER . . . . R	3,72,10,000	32,03,50,000	44,22,00,000
Excess of Exports over Imports including Gold and Silver . . . . R	57,59,00,000	55,09,30,000	36,32,90,000
Net Imports of Currency Notes* . . . . . R	...	...	...
Excess of Exports over Imports including Gold, Silver and Currency Notes . . . . . R	57,59,00,000	55,09,30,000	36,32,90,000
Secretary of State's Bills sold (Rupees) . . . . . R	§30,36,57,471(*a*)	§ 49,04,34,364(*a*)	§50,63,67,176 (*a*)
Sterling Equivalent received . . . . . £	§20,354,517(*a*)	§32,998,095 (*a*)	§34,880,682 (*a*)
Silver coined at the Indian Mints . . . . . R	1,62,02,199	30,77,07,326	23,87,07,287
Maximum price in pence of an oz. troy standard Silver in London . .	$28\frac{15}{16}$ (31st March 1916.)	$38\frac{7}{16}$ (13th Feby. 1917)	55 (21st to 24th Septr. 1917).
Minimum ditto ditto	$22\frac{3}{8}$ (5th Aug. 1915.)	$28\frac{3}{8}$ (10th July 1916).	$36\frac{9}{16}$ (13th to 17th April 1917).
Average Exchange upon Secretary of State's Bills sold per rupee . .	1*s.* 4·087*d.*	1*s.* 4·148*d.*	1*s* 4·536*d.*
Average of the daily telegraphic transfer rates from Calcutta on London.	...	...	...
Rate of Exchange for the adjustment of transactions between the Indian and Imperial Governments	1*s.* 4*d.*	1*s.* 4*d.*	1*s* 4*d.* and 1*s.* 5*d.*
Maximum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta.	8 (20th Jan. 1916 to 31st March 1916.)	8 (1st to 13th April 1916 and 9th Nov. 1916 to 21st Feb. 1917.)	6 (1st April to 6th Septr. 1917 and 3rd Jany. to 31st March 1918.)
Minimum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta	5 (2nd June to 22nd Sept.).	5 (22nd June to 13th Sept.)	5 (7th Septr. 1917 to 2nd Jany. 1918.
Maximum rate of discount at the Bank of England	5 (1st Apl. 1915 to 31st Mar. 1916.)	6 (13th July 1916 to 17th Jany. 1917.)	5½ (2nd to 4th April 1917.)
Minimum ditto ditto		5 (1st April to 12th July 1916.)	5 (5th April 1917 to 31st March 1918.)
Maximum Government balances at the Imperial Bank of India . . R	8,87,07,000 (Aug.)	10,11,86,000(Mar.)	22,65,24,000 (June)
Minimum ditto ditto . . R	4,42,76,000 (Nov).	4,84,33,000 (May.)	7,37,68,000 (Nov.)
Maximum price in Calcutta of 5 per cent. War Loan, 1929—47 . . .	...	...	...
Minimum ditto ditto . . .	...	...	...
Maximum price in Calcutta of 5 per cent. income-tax free loan, 1945—55 .	...	...	...
Minimum ditto ditto . . .	...	...	...
Maximum price in Calcutta of Government 3½ per cent. Rupee Securities (Guaranteed)	93-2 (5th to 11th June 1915.) (*d*).	82 (7th and 11th to 14th April 1916.)	70 (6th to 14th Sep. and 31st Oct. 1917 to 7th Feb. 1918.)
Minimum ditto ditto	79½ (23rd Dec. 1915 to 6th Jan. 1916.)	69 (22nd Feb. to 2nd March and 20th to 31st March 1917.)	67 (20th June to 24th Aug. 1917.)
Maximum price in Calcutta of 3 per cent. Rupee Securities . . .	80 (1st Apl. to 29th June 1915.)	70 (5th to 20th April 1916.)	60 (6th to 14th Sep. and 31st Oct. to 16th March 1918.)
Minimum ditto ditto	67½ (23rd Dec. 1915 to 6th Jan. 1916.)	59 (22nd Feb. to 2nd March and 20th to 31st March 1917.)	57 (20th June to 24th Augt. 1917.)
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts . . . . . R	9,66,98,000 (Apl.)	8,76,76,000 (Apl.)	8,06,95,000 (Ap
Minimum ditto ditto . . . R	8,81,17,000 (Dec.)	8,30,42,000 (Mar.)	7,47,56,000 (March.)
Maximum price in London of 3½ per cent. (Rupee Securities in Gold) . .	No quotation.	No quotation.	52
Minimum ditto ditto . .			$4\frac{1}{8}$
Maximum price in London of India 3½ per cent. Stock.	$82\frac{5}{8}$ (May).	$80\frac{7}{8}$	$69\frac{7}{8}$
Minimum ditto ditto	$80\frac{3}{4}$ (Apl.)	$62\frac{3}{4}$	$61\frac{3}{4}$
Maximum price in London of India 3 per cent. Stock	$70\frac{1}{4}$ (Apl.)	$69\frac{3}{8}$	$60\frac{1}{4}$
Minimum ditto ditto	$69\frac{1}{4}$ (Apl.)	$55\frac{1}{4}$	53
Maximum price in London of India 2½ per cent. Stock.	$59\frac{3}{8}$ (Apl.)	$57\frac{1}{8}$	50
Minimum ditto ditto	57 (May.)	47	$45\frac{1}{8}$
Maximum price in London of 7 per cent. Stock	...	...	...
Minimum ditto ditto	...	...	...
Maximum price in London of 5½ per cent. Stock	...	...	...
Minimum ditto ditto	...	...	...
Maximum price in London of 4½ per cent. Stock	...	...	...
Minimum ditto ditto	...	...	...
Maximum Government Paper Currency outstanding . . . R	68,06,10,000 (July)	86,37,52,000 (Mar.)	1,14,78 7,000 (Oct.)
Minimum ditto ditto . . . . R	60,24,42,000 (Apl.)	65,46,90,000 (Apl).	82,72,35,000 (Apl.)
Number of Post Office Savings Banks	10,386	10,421	10,975
Number of accounts in Post Office Savings Banks	1,660,424	1,647,419	1,637,600
Amount deposited in Savings Banks . . . . . R	15,32,12,517	16,59,53,401	16,58,46,470
Average of each deposit	6,194	100·73	101·27
Net addition to deposits . . . . . R	42,892·27	1,27,40,884	—1,06,931

§ Includes remittances of the Gold Standard Reserve.
* Recorded from April 1922.

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FINANCIAL STATISTICS.

Miscellaneous.

1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24, Revised.	1924-25, Budget.
...	...	...	...	...	2,06,07,000	18,47,000
5,73,06,135	23,65,28,825	26,00,85,276	27,65,01,700	15,01,76,392	...	...
7,64,13,315	14,42,99,228	26,55,72,106	22,97,57,115	18,45,67,524	23,60,71,000	30,00,00,000
...	...	...	...	...	...	27,07,03,000
...	...	...	81,61,617	65,62,006	96,65,000	1,73,95,000
42,86,895	50,35,427	1,25,75,011	1,35,27,418	1,84,79,432	1,83,00,000	1,47,00,000
...	...	...	...	...	...	...
11,47,30,575	8,90,70,517	52,34,07,498	49,19,30,108	25,61,19,053	17,75,89,000	34,72,62,000
10,22,96,861	8,22,22,396	51,76,91,284	49,75,33,002	25,26,11,589	16,71,82,000	34,08,00,000
2,55,30,90,000	3,36,02,20,000	2,67,76,80,000	2,48,65,80,000	3,16,07,20,000	(b)3,21,13,50,000	
1,88,56,20,000	2,21,70,20,000	3,47,57,40,000	2,82,59,80,000	2,46,19,20,000	(b)2,17,46,10,000	
66,74,70,000	1,14,32,00,000	(c)—79,80,60,000	(c)—33,94,00,000	69,88,00,000	(b)1,03,67,40,000	
†—5,56,40,000	35,33,00,000	2,10,80,000	†—2,86,40,000	41,19,10,000	(b) 26,20,60,000	
67,91,90,000	29,22,90,000	6,48,40,000	15,09,60,000	18,35,40,000	(b) 17,65.70,000	
62,35,50,000	64,55,90,000	8,59,20,000	12,23,20,000	59,54,59,000	(b) 43,86,30,000	
4,39,20,000	49,76,10,000	(c)—88,39,80,000	(c)—46,17,20,000	10,33,50,000	(b) 59,81,10,000	
...	...	...	...	1,01,70,000	(b) 1,63,50,000	
4,39,20,000	49,76,10,000	(c)—88,39,80,000	(c)—46,17,20,000	9,31,80,000	(b) 58,17,60,000	
(a) 28,65,41,000	34,54,98,000	...	...	3,75,00,000	12,68,50,000	
(a) 29,946,314	31,226,219	...	...	2,570,025	8,738,704	
52,05,35,309	37,72,19,758	3,41,30,039	1,60,86,638	62,75,446	49,61,605	
50 (28th March 1919).	89½ (11th Feb. 1920.)	72⅛ (7th April 1920.)	43⅜ (27th Sept. 1921).	37⅛ (22nd May 1922.)	34 1/16 (3rd and 5th Jan. 13th and 14th Feb. 1924.)	
45¼ (8th to 10th Apl. 1918).	9/16 (4th April and 6th May 1919.)	30⅝ (5th March 1921.)	32⅛ (28th Feb. & 2nd Mar. 1922.)	30⅜ (15th Dec. 1922.)	30 1/16 (13th July 1923).	
1s. 5·544d.	1s. 9·691 d.	...	...	...	...	
...	...	1s. 8·66d.	1s. 3·85d.	1s. 3·76d.	1s. 4½d. (este)	
1s. 5d. and 1s. 6d.	1s. 6d., 1s. 8d., 2s., 4d., and 2s. 9d.	2s. 8d., 2s. 4d., 2s. 2½d. 2s., 1s. 11d., 1s.10¼d.,1s.8¼d.,1s. 5½d. 1s 6 d &1s.4¾d.	1s. 3¼d., 1s. 3½d. 1s. 3¾d , 1s. 4d., 1s. 4½ d., 1s. 5d., and 1s. 5½d.	1s. 3½d., 1s. 3¼d., 1s. 3⅝d., 1s. 4d., and 1s. 4½d.	1s. 4d. 1s. 4¼d., 1s. 4⅝d. 1s. 5d. 1s. 5¼d.	
7 (16th Jan. to 26th Mar. 1919).	7 (12th to 31st Mar. 1920.)	7 (1st April to 9th June 1920. 18th Nov. 1920, to 2nd Mar. 1921.)	8 (16th Feb. to 31st March 1922.)	8 (1st to 26th April 1922 and from 11th Jan. to 31st Mar. 1923.)	9 from (14th Feb. 1924.)	
5 (23rd May to 6th Nov. 1918).	5 (5th June 1919 to 14th Jan. 1920.)	5 (1st July to 3rd Nov. 1920.)	5 (2nd June to 14th Dec. 1921.)	4 (6th July to 25th Oct. 1922.)	4 (28th June to 14th Nov. 1923.)	
5 (1st Apl. 1918 to 31st Mar. 1919.)	6 (6th Novr. 1919 to 31st Mar. 1920.)	7 (15th April 1920 to 31st Mar. 1921.)	7 (1st April to 1st May 1921.)	4½ (1st to 12th April 1922.)	4 (since 5th July 1923).	
	5 (1st April 1919 to 5th Nov. 1919.)	6 (1st to 14th April 1920,)	4½ (16th Feb. to 31st March 1922.)	3 (13th July 1922 to 31st Mar. 1923.)	3 (1st Apl. to 4th July 1923.)	
18,60,47,000 (Sept.)	18,26,33.000 (Feb.)	20,38,41,000 (July.)	25,87,46,000 (31st July.)	33,19,07,000 (28th July.)	29,74,54,000 (20th July.)	
6,54,89,000 (Apl.)	7,04,52,000 (Sept.)	5,84,98,000 (Feb.)	5,34,64,000 (18th Nov.	8,22,54,000 (10th Nov.)	6,22,69,000 (6th Nov.)	
93	95	90	87	88—8	93—10	
90	90	77	78	81—6	87—12	
...	95½ to 96	95½ to 96	89	93—8	98—10	
...		78½	80	87	93—2	
81 (7th to 21st Nov. 1918.)	71 (1st April to 17th May 1919.)	60 (1st to 16th April 1920 and 5th to 15th Jan. 1921.)	62 (30th & 31st May 1921.)	61—4 (22nd and 23rd Mar 1923.)	67—3 (8th Mar. 1924.)	
65 (3rd May to 24th June 1918).	60 (27th Feb. to 31st Mar. 1920.)	52 (1st Nov. to 22nd Dec. 1920.)	55-10 (from 3rd March 1922.)	55—8 (1st to 17th April 1922.)	61 (3rd to 5th Mar. 1923)	
69 (5th to 22nd Nov. 1918).	62 (1st April to 17th May 1919.)	50 (1st April to 5th Oct. 1920 and 5th to 15th Jan. 1921.)	53 (31st May & 1st June 1921.)	52—8 (22nd and 23rd Mar. 1923.)	57—3 (12th Feb. 1924.)	
58 (11th Apl. to 24th June 1918).	50 (27th Feb. to 31 M 920.)	42 (1st Nov. to 22nd Dec. 1920.)	47 (1st to 4th April 1921.)	47—12 (1st to 18th April 1922.)	51—14 (3rd to 5th Apl. 1923.)	
8,17,24,000 (Mar.)	8,16,74,000 (Apl.)	6,65,19,000 (Apl.)	7,30,08,000 (Feb.)	10,50,48,000 (Nov.)	10,80,92,000 (Oct.)	
7,34,70,000 (July.)	7,43,58,000 (Dec.)	6,13,12,000 (Sept.)	6,36,30,000 (April.)	9,68,19,000 (May.)	10,36,29,000 (June).	
54	74	63¾	42½	39	45	
44	49½	33½	34½	34	39	
74	69⅞	61	63¼	69⅜	72½	
62	54⅛	51⅛	55⅛	62½	61¼	
64	60¾	53	55½	59½	62⅝	
53¼	47½	43½	47¼	53⅓	52¾	
53⅞	50¾	43	46⅝	50⅛	52⅛	
44¼	40	37⅞	39¾	44⅓	45½	
...	...	...	108¼	119⅕	124	
...	...	...	102¾	108	110¾	
...	...	...	94½	102⅛	105	
...	...	...	89¾	93⅞	99	
...	...	...	...	88⅓	93	
...	...	...	...	83⅝	82⅝	
1,53,46,48,000 (Mar.)	1,85,14,79,000 (Jan.)	1,70,73,89,000 (April.)	1:79,71,49,000 (Oct.)	1,82,26,25,000 (Aug.)	1,84,01,71,000 (Jan.)	
1,05,96,05,000 (Apl.)	1,53,72,07,000 (April.)	1,57,62,82,000 (Sept.)	1,67,81,85.000 (April.)	1,71.76,07,000 (April.)	1,71,23,35,000 (May).	
10,587	10,670	10.718	10,758	10,730		
1,677,407	1,760,442	18,77,957	19,58,324	20,43,502		
18,82,44,749	21,34,84.628	22,86,21,716	22,26,24,825	23,19,98,761		
112·22	121·26	121·73	113·68	113·52		
2,23,98,279	2,52,89,787	1,51,37,088	—59,96,891	93,73,936		

(a) Includes remittance of the Currency Department. (b) Figures for 11 months (April to February.) (c) Net imports.
† Represents net exports of gold.

EXPLANATORY MEMORANDUM OF THE RAILWAY BUDGET FOR 1924-25.

1. The object of this memorandum is to explain the main features of the Railway Budget as embodied in the statement of demands passed by the Legislature.

2. CAPITAL (Head of Account "53—Construction of State Railways") and PROGRAMME REVENUE EXPENDITURE *i.e.*, expenditure on renewals and replacements, (Part of Head of Account XI). In March 1922 the Legislative Assembly decided that provision should be made for Capital expenditure of 30 crores per annum, or a total of 150 crores in the next five years; that the whole of this money should be devoted to the rehabilitation and improvement of existing lines and to the completion of lines already in hand; and that there should be no lapse of the money voted for any year and not spent within the year, any sums unspent being carried to the credit of the Railway Administration from year to year to the end of the quinquennium. The carry over from 1922-23 under these arrangements was expected to amount to 8·64 crores and the Capital grant for the current year was accordingly fixed at 38·64 crores. At the same time the grant for Programme Revenue, for which a provision of 11·50 crores was originally suggested, was on consideration of the Indian Retrenchment Committee's recommendations reduced to 9 crores.

Out of these sums of 38·64 crores Capital, and 9 crores Programme Revenue, only 23·61 crores Capital and 7·30 crores Programme Revenue are likely to be spent in 1923-24.

3. For an understanding of the failure to spend the Capital grant by so large a sum as 15 crores, it is first of all necessary to recognise that in dealing with a rehabilitation programme Capital and Programme Revenue expenditure are interdependent, and that a guarantee of the capital required, such as the Assembly has given, is in itself insufficient, unless there is a similar guarantee that funds for the concurrent revenue expenditure will be forthcoming. This will be clear if the implications of a programme for spending 150 crores of Capital are realised. Such a programme is in reality one for spending a total sum, not of 150 crores, but of 212 crores on the rehabilitation of railways, the additional 62 crores being the revenue portion of the programme. For when, for example, renewals are carried out with heavier rails, or existing locomotives are replaced by a more powerful type, in order to meet the requirements of modern traffic, such portion of the expenditure as represents mere replacement or renewal on existing standards and not an improvement on those standards must be charged to revenue. There is therefore a close relation between Capital and Revenue (programme) expenditure on projects of rehabilitation and improvement, a ratio which naturally varies for individual projects, but on the 150 crores programme as a whole may be taken as approximately 5 to 2.

Judged by these considerations, it would only have been possible to spend on rehabilitation and improvements to existing lines a Capital grant of 38·64 crores, if some 15 crores had been provided for Programme Revenue expenditure; but it was hoped that it would be possible to carry through the year's programme of spending 38·64 crores capital with a revenue grant of only 11·50 crores, as originally suggested, since some portion of the 38·64 crores was to be devoted, not to open line works but to the completion of new lines. But, for the reasons which have been given, the reduction to 9 crores of the provision for Programme Revenue, automatically limited to some 23 crores the amount which could economically be spent on open line facilities.

4. But this reduction last March from 11·50 to 9 crores in the grant for Programme Revenue had a further result; for it could not be intimated to Railway Administrations until April, and they had consequently to undertake after the year had begun an almost complete revision of their proposals for rehabilitation expenditure during the year. It will be realised that if money

is to be spent economically on railways, whether on Capital or Programme Revenue account, plans must be laid well ahead, estimates must be prepared well in advance and timely arrangements must be made for engaging the necessary staff, and obtaining the necessary materials. It will also, it is hoped, be realised from what has already been said that a large and late reduction in the grant for Programme Revenue expenditure which Railway Administrations have expected to obtain must dislocate not only their plan of operations for the year, but also their working arrangements. It is impossible to isolate many of the different items included in a railway programme of rehabilitation since individual schemes are so frequently interlinked, and dependent upon one another The provision of heavier locomotives requires the provision of heavier rails and the strengthening of girders and bridges; even additional rolling stock, or the doubling of lines. measures the cost of which is debited entirely to capital, often mean the reconstruction of railway yards and railway workshops, for the carrying out of which revenue expenditure is involved. It is, therefore, no easy matter, when a cut is made at a late stage in the provision for Programme Revenue, to decide which particular items can be best omitted; and the time spent in revising the whole plan of operations is time lost in carrying out the actual work, rendering it very difficult, if not impossible, to spend economically even the reduced allotment for Programme Revenue, with a consequent further limitation on the possible economical expenditure of capital.

It is not, however, suggested that the reduction by 2·50 crores in the grant for Programme Revenue, though by itself it would probably have produced these results, was the only factor at play. The whole rehabilitation programme had in any event, to be revised and overhauled in accordance with the recommendations of the Indian Retrenchment Committee. This revision has been undertaken and has resulted in considerable alteration of the preliminary allocation of the 150 crores between the different railways. The re-examination is not yet complete, but it is sufficiently advanced to determine the programme to be adopted on the various railway systems for the next year or two. On each railway system an attempt has been made to determine the total amount of additional capital that can profitably be expended, having regard to the probable increase in traffic and net earnings. Under this system proposals for additional facilities have now to be justified by reasonable expectations of increased traffic. Where the existing facilities appear adequate for dealing with the traffic likely to be forthcoming during the period covered by the programme, expenditure is now restricted to works required to maintain the safety of the line, to works which will have the effect of reducing working expenses, and to works for the greater convenience and comfort of passengers, particularly of the 3rd class, on which the Assembly has decided that expenditure is desirable.

Further the Railway Board have now adopted definite standards by which proposals for an increase in rolling stock have to be judged and before accepting them require to be satisfied that the full amount of work is being taken from the existing stock. Similarly definite standards of normal life have been laid down for the various classes of railway stock and equipment, and proposals for renewals have now to be justified with reference to the age of the stock or equipment and to the possibility of retaining it economically in use beyond the period of its normal life. But the revision of the programme in accordance with these arrangements has necessarily occupied a good deal of time, and though they should gradually speed up the work of rehabilitation and secure that money allotted will be spent both fully and economically, they have inevitably retarded progress in the year which has been devoted to their inception.

5. Though of less importance than those explained in the two previous paragraphs, a further cause of the slow rate of expenditure this year both from the Capital and Programme Revenue grants deserves a mention. The inauguration on a large scale of a scheme for rehabilitation and improvement necessarily finds railway administrations without the detailed estimates of projects without which and an allotment of funds work cannot be started; and in the absence of any certainty as to budget provision for Programme Revenue as well as Capital the preparation of such estimates cannot profitably be undertaken, nor can satisfactory arrangements be made for any scheme, the expenditure on which will be spread over a series of years. Consequently a good deal less than half the programme in the current year's budget was for sanctioned works;

for the remainder no estimates were ready. It is partly owing to this difficulty that the sums provided in the budgets of recent years, both for Capital and Programme Revenue, have always been underspent. The aim is in future to make the budget provision largely an estimate of the amount likely to be spent on sanctioned works included in the programme, rather than, as at present, the budget provision itself restricting or determining the amount for which estimates may be prepared.

It is for these reasons that a lapse of 1·70 crores now seems probable in the grant of 9 crores for Programme Revenue and a lapse of 15 03 crores in the Capital grant of 38·64 crores. The lapse in the Capital grant would, in fact, have been greater, since only 19·14 crores are likely to be spent this year on open line facilities; but 4·47 crores are also being spent on lines under construction.

7. In the Budget for 1924-25 provision is made for Capital expenditure of 30 crores. Of this sum 22·83 crores are expected to be required for open line facilities and rolling stock, with a consequent provision of 10·13 crores for Programme Revenue expenditure excluding customs duty charges. The construction of new lines and lines already in progress will require 4·53 crores; and 2·64 crores, or if the anticipated reduction of 2 80 crores in stores balances is added, 5·44 crores remain at present unallocated in the budget to specific purposes. Railway Administrations have already been asked to make arrangements for the preparation of estimates for, and the completion of, approved schemes as expeditiously and economically as possible; and have been assured that, if they require additional funds, they need anticipate no difficulty in obtaining them; but that, if the programme is accelerated, proposals will be laid before the Assembly in due course for any necessary supplementary grant. In view of this and of the fact that there are many schemes now under consideration on which it may be possible to spend money remuneratively in the coming year, both on open lines and on lines under construction, it is considered desirable to keep in hand a fairly substantial unappropriated sum for capital expenditure.

8. The details of the total Capital expenditure on State Railways worked by the State and Companies in each of the three years from 1922-23 to 1924-25 are as follows;—

Items.		Actuals, 1922-23.	1923-24.		Budget, 1924-25.
			Budget.	Revised.	
(*a*) England	£	9,868,149	19,000,000	10,775,200	11,568,400
	₹	9,86,81,493	19,00,00,000	10,77,52,000	11,56,84,000
(*b*) India	₹	3,37,08,959	10,13,95,000	7,93,34,000	13,42,44,000
	₹	13,23,90,452	29,13,95,000	18,70,86,000	24,99,28,000
(*c*) Exchange	₹	5,19,51,853	9,50,00,000	4,89,78,000	5,00,72,000
	₹	18,43,42,305	38,63,95,000	23,60,64,000	30,00,00,000

9. The following table compares the allotments made for open lines and lines under construction in 1924-25 with those of previous years:—

[000 omitted.]

Items.	Actuals, 1922-23.	Revised, 1923-24.	Budget, 1924-25.
	Rs.	Rs.	Rs.
(1) Open Lines including rolling stock	11,17,56	14,15,77	19,97,68
(2) Lines under construction:—			
(*a*) Started in previous years	2,01,24	4,51,58	2,31,17
(*b*) Started in current year	5,10	3,51	2,70,43
(3) Exchange	5,19,52	4,89,78	5,00,72
Total	18,43,42	23,60,64	30,00,00

10. The details of the Budget grant for 1924-25 are shown below :—

(In thousands of rupees.)

Railways.	Open Lines.			Construction of	
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.
State Railways Worked by State.					
1. Aden	45	10	55	...	...
2. Central India Coal Fields	...	...	...	...	50,00
3. Delhi (New Capital) Railway Works Scheme	...	16,99	16,99	...	...
4. Eastern Bengal	24,31	32,24	56,55	...	...
5. Jodhpur Hyderabad (British Section)	...	2,73	2,73	...	...
6. North Western :—					
(i) Main line	86,19	67,65	1,53,84	...	...
(ii) Frontier Railway Reserve	...	7	7	...	...
(iii) Khyber	...	...	...	19,32	...
7. Oudh and Rohilkhand	32,62	42,33	74,95	...	...
8. Stores Transactions	...	17	17	...	...
	1,43,57	1,62,28	3,05,85	19,32	50,00
State Railways Worked by Companies.					
9. Assam Bengal (open line)—	8,55	18,46	27,01	...	...
(i) Sibsagar Road—Khawang	...	...	...	...	13,75
10. Bengal Nagpur :—					
(i) Main line	1,08,31	1,35,16	2,43,47	...	...
(ii) Amda Jamda	...	...	...	11,94	...
(iii) Bermo Duneya Section	...	...	...	4,34	...
(iv) South Karanpura Coal Fields	...	...	...	9,73	...
(v) Cuttak Talchir Coal Fields	...	...	...	32,78	...
(vi) Hesla Chandil	...	...	...	51,87	...
11. Bengal and North Western	7,50	7,02	14,52	...	...
12. Bezwada Extension	...	69	69	...	...
13. Bombay, Baroda and Central India :—					
(i) Main line	48,46	1,06,45	1,54,91	...	...
(ii) Dholka Dhandhuka	...	...	...	11,00	...
14. Burma :—					
(i) Main line	15,50	23,68	39,18	...	...
(ii) Extensions	...	1,60	1,60	...	...
(iii) Southern Shan States	...	20	20	...	...
(*iv*) Bauktaw Tadagale	...	...	...	...	4,00
15. Burma Provincial Railways—Outlay on—to be taken over by Central Government	...	...	...	55,97	...
16. East Indian :—					
(i) Open line	1,52,56	1,37,97	2,90,53	...	...
(ii) Bermo Duneya Section	...	...	...	3,09	...
(iii) South Karanpura Coal Fields	...	...	...	8,45	...
(iv) Chandrapura Gomoh	...	...	...	7,00	...
17. Great Indian Peninsula :—					
(i) Main line	66,91	1,49,64	2,16,55	...	...
(ii) Agra Delhi Chord	...	1,54	1,54	...	...
(iii) Bhopal State	...	...	...	...	...
(iv) Cawnpore Banda	...	...	...	...	...
(v) Baran Kotah	...	...	...	...	...
(vi) Itarsi Nagpur	...	...	...	5,00	...
(vii) Harbour Branch	...	...	...	6,70	...
(viii) Majri Rajur	...	...	...	3,98	...
18. Madras and Southern Mahratta :—					
(i) Main line	56,65	52,80	1,09,45	...	...
(ii) Guntur Tenali	...	5	5	...	...
(iii) Dhone Kurnool	...	5	5	...	...
19. Rohilkhand and Kumaon	28	—52	—24	...	...
20. South Indian :—					
(i) Main line	20,61	71,77	92,38	...	...
(ii) Tinnevelly-Quilon—British Section	...	40	40	...	...
(iii) Do. Indian Section	3,74	52	4,26	...	...
(iv) Coonor-Ootacamund	57	10	67	...	...
(v) Shoranur-Nilambur	...	...	...	...	41,00
(vi) Villupuram-Trichinopoly	...	...	...	...	80,00
(vii) Virudupati Tenkasi	...	...	...	...	33,00
	4,89,64	7,07,58	11,97,22	2,11,85	1,71,75
	6,33,21	8,69,86	15,03,07	2,31,17	2,21,75
21. Reserve	...	4,94,61	4,94,61	...	48,68
	6,33,21	13,64,47	19,97,68	2,31,17	2,70,43
Exchange	...	...	5,00,50	22	...
Grand Total	...	...	24,98,18	2,31,39	2,70,43

11. The distribution of the 30 crores over open line works, rolling stock and new construction is as follows :—

	Rs.
Open Line facilities	16,50,04
Rolling stock	6,33,21
New construction	4,53,14
Reserve	5,43,29
Suspense	—2,79,68
Total	30,00,00

12. *Open line facilities.*—The following statement gives the distribution of the proposed expenditure of 16,50,04 among the various classes of open line works :—

	Rs.
(*a*) Doubling and quadrupling	1,89,03
(*b*) Improved rails and sleepers	79,81
(*c*) Strengthening of bridges	65,56
(*d*) Remodelling of station yards	3,00,35
(*e*) Additional quarters for staff	1,50,62
(*f*) Workshops and stores and station buildings	2,20,34
(*g*) Plant and machinery	2,49,71
(*h*) Sidings, diversions, links, etc.	56,25
(*i*) Electrification of lines	1,10,00
(*j*) Other works	2,28,37
Total	16,50,04

13. (*a*) *Doubling and quadrupling.*—Some of the more important works are on the Bengal Nagpur Railway, where, in order to improve the capacity of the line for coal and other traffic, it is proposed to spend Rs. 37 lakhs on doubling the Anara Kandra, Chakardharpur-Goilkera-Manharpur-Koel Block Hut, Bermo Mohuda, and Tatanagar Khargpur sections. A sum of Rs. 32 lakhs is provided for work on the Grand Chord doubling of the East Indian Railway, Rs. 31 lakhs for quadrupling the Grant Road Borivli Section of the Bombay, Baroda and Central India Railway and Rs. 19 lakhs for doubling the Pyuntaza-Kyungon Section on the Burma Railways. Provision has also been made for an expenditure of Rs. 28 lakhs on the East Indian Railway in laying a second track on the Upper Sone Bridge.

(*b*) *Improved rails and sleepers* and (*c*) *Strengthening of bridges.*—The various allotments under these heads are required for improving the existing track and bridges which are on sections where the standard is below that required for modern loads. The rebuilding of Bassein Bridge on the Bombay, Baroda and Central India Railway for which Rs. 14 lakhs have been provided deserves individual mention.

(*d*) *Remodelling of station yards.*—The remodelling and rearrangement of marshalling yards is in many cases long overdue, and the provision of better marshalling facilities is one of the most urgent necessities for improved traffic services and to reduce delays to wagons in transit. The more important projects for which allotments are made are :—

	Rs. (lakhs).
Parbatipur (Eastern Bengal Railway)	10
Rawalpindi (North-Western Railway)	8
Lyallpur Locomotive Yard (North-Western Railway)	4
Lucknow (Oudh and Rohilkhand Railway)	7½

	Rs. (lakhs).
Tatanagar and several other stations on the Bengal Nagpur Railway consequent on the doubling of several sections	40
Victoria Terminus (Great Indian Peninsula Railway)	22
Poona (Great Indian Peninsula Railway)	12
Nagpur (Great Indian Peninsula Railway)	8
Grant Road Terminal arrangement (Bombay, Baroda and Central India Railway)	27
Ahmedabad (Bombay, Baroda and Central India Railway)	6
Bulsar (Bombay, Baroda and Central India Railway)	5

(*e*) *Staff quarters.*—As was explained last year better housing for railway employees is an urgent necessity in many places. The larger schemes on which expenditure is expected next year occur on the Bengal-Nagpur, East Indian, Great Indian Peninsula and North-Western Railways.

(*f*) *Workshop and Stores Buildings and* (*g*) *Plant and Machinery.*—The more important items under this head are the Trichinopoly workshops on the South Indian Railway for which Rs. 68 lakhs have been entered and the new Locomotive workshops at Lucknow (9½ lakhs).

On many railways the workshop equipment and capacity are inadequate for the timely repairs of locomotives and rolling stock and it is one of the most important parts of the policy of rehabilitation to provide improved machinery and ample workshop space to enable repairs to keep pace with deterioration and damages.

(*h*) *Electrification of lines.*—The main item under this head is a sum of one crore for the electrification of the Great Indian Peninsula suburban lines. The remaining Rs. 10 lakhs is for work on the electrification of the suburban lines of the Bombay, Baroda and Central India Railway.

(*i*) *and* (*j*) *Sidings diversions and other works.*—A provision of Rs 10 lakhs has been made for relaying the Bhagalpur Bausi Railway which was dismantled during the war. Other important classes of work for which grants are allotted are :—

	Rs. (lakhs).
Watering arrangements and water supply on all railways	25
Acquisition and improvement of collieries	66
Electrical installations at important stations	40½
Overbridges at Delisle Road and Dadar Road (Bombay, Baroda and Central India Railway)	7½

14. *Facilities and amenities for 3rd class passengers.*—This important question is receiving the unremitting attention of the Railway Board and of Railway Administrations; and detailed programmes of measures considered necessary were drawn up last year. They had, however to be revised in some respects as a result of the curtailment of the Programme Revenue grant for the current year; and Railway Administrations were instructed to discuss the revised programmes with their local Advisory Committees. Much has been done during the current year, and a liberal provision of Rs. 125 lakhs has been made for such works in the Budget of next year.

15. *Rolling Stock.*—A total sum of Rs. 6·33 crores is proposed to be spent on the provision of additional stock and on the improvement of the existing stock. The distribution of this amount between the various items is shown below :—

	Rs. (crores).
Engines	1·17
Coaches	1·97
Wagons	2·28
Miscellaneous	·91
TOTAL	6·33

It is anticipated that the railways will be able to place on the line during next year 79 extra engines, 1,098 additional coaches and 3,271 wagons (in terms of four-wheelers).

16. *New Construction.*—The Indian Retrenchment Committee in paragraph 31 of their Report made the following recommendation with regard to the Capital programme of Rs. 150 crores, authorised for the rehabilitation of the railways in India during the five years ending 1926-27 :—

> "If the full amount of the Capital cannot immediately be employed on remunerative works on open lines, it would, in our opinion, be a matter for consideration whether some portion of it could not with advantage be devoted to the construction of new lines promising an adequate return."

It is already clear that the full amount of Rs. 150 crores is not likely to be expended within the quinquennium on rehabilitation and the improvement of existing lines ; nor is there at present reason to anticipate difficulty in raising money for new extensions. The Railway Board have accordingly been engaged during the current year in investigating the prospects of all projected railways promising an adequate return ; and provision has been made for expenditure on the following new projects during 1924-25 :—

(*i*) *South Indian Railway.*—For many years it has been recognised that there is a need for considerable railway extension in this part of the country and several projects for the relief of congestion on the existing lines and for the development of new country have been put forward. In 1921 it was decided to appoint a special officer to investigate the question of railway communication in South India. As a result of the consideration of his report, it has been decided, with the concurrence of the Government of Madras and the sanction of the Secretary of State, to undertake and press forward to early completion the projects mentioned below :—

(*a*) *Villupuram Trichinopoly Chord.*—This line will form an alternative route between Madras and Trichinopoly and will afford such relief to the existing line as will defer the necessity of doubling it for many years. The new chord will also open up and develop new and populous country. The line will be 100 miles in length. It is estimated to cost Rs. 169 lakhs and to give an immediate return on this expenditure of 5·35 per cent. per annum and a return of 8 per cent. per annum after the chord has been opened for 10 years.

(*b*) *Shoranur Nilambur Railway.*—This extension which is to be constructed on the 5′—6″ gauge will run through the heart of the Moplah country. It is one of the most important measures necessary for the reconstruction of Malabar. The line is 41 miles in length and is estimated to cost Rs. 62 lakhs. The return on the capital invested is expected to be in the neighbourhood of 4 per cent. This does not permit of the line being classed as one "promising an adequate return" in the terms of the recommendation in paragraph 31 of the Report of the Indian Retrenchment Committee. But an arrangement has been arrived at with the Government of Madras (who have pressed for the early construction of the line on administrative grounds) under which they will pay to the Government of India the amount by which the gross earnings fall short of the working expenses and a return on the capital sunk in the line, provided that, if the projected railway eventually proves remunerative, the Madras Government will be re-imbursed the amount paid by them towards the loss incurred in the working of the line in the earlier years.

(*c*) *Virudupatti Tenkasi Railway.*—This line serves the same objects as the Villupuram Trichinopoly Chord. It is 76 miles in length and is estimated to cost Rs. 58 lakhs. It is expected to pay a return of 4½ per cent. per annum

on the capital outlay in the first year after opening and 5½ per cent. after the line has been open for 5 years and local traffic has developed.

(*ii*) *Central India Coalfields Railways.*—In order to meet the demand for additional coal and to relieve congestion on existing railways, the possibility of opening out new coalfields and building railways to serve them has been under careful consideration. The most promising area for this purpose is that lying between the East Indian and the Bengal Nagpur Railways running westward from the Jherria coalfields as far as Katni in the Central Provinces. In this area prospecting for coal has been going on for some time and it has now been proved that good coal in large quantities is available. It is proposed to provide the following lines of railways to provide outlets towards the north and west of India—

(1) Daltonganj to Hutar	17 miles.
(2) Hutar to Hesla	103 „
(3) Hutar to Anuppur	188 „

These lines of railways are estimated to cost Rs. 915 lakhs and to give a return of nearly 7 per cent. on the capital outlay. There is also the advantage that in addition to the direct earnings of the projected lines the reduced cost of transporting coal to the West of India will probably save about Rs. 12 lakhs per annum in the freight bill of the Great Indian Peninsula and Bombay, Baroda and Central India Railways.

(*iii*) *Sibsagar Road to Khowang.*—The main object of this line is to give easy communication to a prosperous tea growing area and to open up a considerable area of paddy-growing country. The area to be served by the projected line is at present dependent for communication on transport by rivers which are only navigable during the rainy season and on roads which are almost impassable during the rains. The Assam Government strongly advocate the construction of this line which will be 39 miles long. It is estimated to cost Rs. 28·40 lakhs and to give a return of 5·86 per cent. on the capital outlay. It will form an integral part of the Assam Bengal Railway.

(*iv*) *Bauktaw-Tadagale.*—This railway will form the first section of the Bauktaw Mingaladon Railway, a line about 11 miles in length which the Government of Burma desire to see constructed chiefly on account of the growth of the City of Rangoon. The approximate cost of the Bauktaw-Tadagale section, which is 3½ miles in length, is Rs. 5 lakhs. It is not anticipated that this line will carry much traffic for the first two years after opening but it is expected that the prospects will improve *pari passu* with the development of Rangoon and with a steady influx of population into the area served by the new line. The local Government has undertaken, within certain limits to guarantee the Government of India against loss in the working of the projected Railway.

17. *Lines in Progress.*—Proposals are under consideration for the purchase by the Central Government from the Burma Government of the lines of Railways in Burma constructed from "Rice control profits". The terms of purchase have not yet been finally settled. It is hoped to arrange the purchase before the end of March 1924 and provision to the extent of Rs. 1,87 lakhs to meet the purchase price has been made in the estimates of the current financial year. In the Budget Estimate of 1924-25 Rs. 56 lakhs have been provided to meet further expenditure on these lines.

The provision for other lines in progress is on a liberal scale in order to ensure the completion of the projects at the earliest possible date.

18. *Receipts, 1923-24.*—The Budget estimate of Gross Traffic Receipts in India for 1923-24 which was fixed at 95,50,00 or 3,50,00 in excess of the Revised estimate for 1922-23 was framed on the assumption of a moderate revival of trade. It also allowed for the increased receipts due to the operation of the enhanced fares during the year and to the earnings of one extra day in February. The Revised estimate for the year is placed at 94,15,00 or 1,35,00 less than the Budget figure. The falling off is due to traffic not coming up to expectations during the autumn months and to interruption of traffic as a result of flood damages to several railways. The approximate amount on this latter account is 40 lakhs.

19. *Receipts, 1924-25.*—The gross receipts in India are estimated at 97,00,00. This provides for an increase of 2,85,00 over the Revised estimate of the current year. It is based on anticipations of normal conditions of trade and a favourable harvest.

20. *Working Expenses, 1923-24.*—The following table compares the figures of the Revised Estimate of 1923-24 with the Budget estimate of that year.

—	Ordinary.	Fuel.	Programme Revenue.	TOTAL.	Deduct Non-Budget worked lines.	Suspense.	Net.
Budget, 1923-24 .	49,28,09	8,53,69	9,00,00	66,81,78	3,38,98	−41,30	63,01,50
Revised, 1923-24 . .	49,09,39	8,54,94	7,29,96	64,94,29	3,50,94	−47,35	60,96,00
Revised Estimate, more (+) less (−) than the Budget . .	−18,70	+1,25	−1,70,04	−1,87,49	+11,96	−6,05	−2,05,50

Ordinary Expenses.—The reduction of 18,70 under Ordinary Expenses is the result of savings effected by the retrenchment of expenditure and of slower progress in repairs to rolling stock than was anticipated, offset to some extent by increased expenditure, amounting approximately to 10 lakhs on account of repairs to flood damages.

Fuel.—The figures of the Revised estimate are practically the same as those of the Budget.

Programme Revenue.—The causes of the variation in the figures are explained in detail in paragraphs 2 to 6 of this Memorandum.

21. The Budget estimate of Working Expenses for 1924-25 is placed at 66,43,04 and is distributed as follows :—

Ordinary Expenses (excluding Fuel)	50,25,36
Fuel	8,82,47
Programme Revenue	10,12,86
Total—Working Expenses .	69,20,69
Deduct—Working Expenses of non-Budget worked lines .	3,55,78
Suspense	22
Reserve including provision to meet customs duty charges and for writing down value of stores	77,99
Total Expenditure .	66,43,04

Compared with the Revised estimate there are the following increases :—

Ordinary Expenses	1,15,97
Fuel	27,53
Programme Revenue	2,82,90

The provision of 50,25,36 under Ordinary Expenses compares with the figures of previous periods as follows :—

—	Actuals, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
(*a*) General Administration . . .	7,97,74	7,94,41	8,06,03
(*b*) Ordinary Repairs and Maintenance .	16,74,16	16,31,23	16,70,33
(*c*) Operating Expenses other than Fuel .	26,39,78	24,83,75	25,49,00
Total .	51,11,68	49,09,39	50,25,36

The increase of nearly Rs. 12 lakhs under "General Administration" is due partly to annual increments to officers and subordinates, and to some extent to the provision for additional appointments rendered obligatory by the opening of new lines and the strengthening of the watch and ward establishments.

The increase of Rs. 39 lakhs over the Revised estimate in the expenditure under the head "Ordinary Repairs and Maintenance" is due to provision for customs duties on imported stores and to increased provision for necessary repairs to rolling stock, way and works.

Under operating expenses other than Fuel, the Budget estimate provides for an increase over the Revised estimate of 65,25. The increase is partly due to the extra staff and stores necessary on account of the increased train-mileage anticipated; partly to staff required on the openings of new extensions; and partly to annual increments in the pay of the train and station staff.

22. *Fuel.*—The provision in the Budget for 'Fuel' is 27,53 over the Revised estimate of the current year. The increase is due partly to enhanced prices which must be paid next year under existing contracts and partly to the increased consumption of fuel with an increased train-mileage.

23. *Surplus profits paid to Companies and the net earnings of the Indian State Railways.*—The increase of 12,65 in the Revised estimate is based on actuals, as the amounts paid during a year depend on the actual net earnings of the previous year. The increase of 3,45 in the Budget estimate for 1924-25 similarly follows the Revised estimate figures for the current year.

24. *Interest charges.*—The excess is explained in the Finance Department's Memorandum.

25. *Subsidized Companies—Government Share of Surplus Profits—Receipts.*—The receipts shown under this head represent the Government share of surplus profits on the Rohilkhand and Kumaon and the Southern Punjab Railways and certain Indian Branch Line Companies. The repayments of advances of interest by the Tinnevelly Quilon Railway (Indian State Section) as well as the credits from the sale of land of the subsidized companies are also carried to this head.

The increase of 3,66 in the Revised estimate for 1923-24 is principally due to an increased share of surplus profits from the Southern Punjab Railway.

The Budget for 1924-25 provides for an increase of 2,65 over the Revised estimate and is mainly due to the increase anticipated in the Government share of surplus profits of the Southern Punjab Railway and the Indian Branch Line Companies in the Punjab.

26. *Subsidized Companies Land and Subsidy and Miscellaneous Railway Expenditure charges.*—These consist of the cost of land required by certain railway companies entitled under the terms of their contract to free supply of land and of miscellaneous items, such as the cost of controlling establishments, including the Railway Board. A share of the cost of control is charged to the Working Expenses of each of the Railway Companies and the recoveries thus made are adjusted by deduction from the miscellaneous expenditure. The figures relating to this head compare as under:—

Items.	1922-23.	1923-24.		1924-25.
	Actuals.	Budget.	Revised.	Budget.
1. Subsidized Companies Land and Subsidy . . .	9,43	25,90	7,41	16,00
2. Miscellaneous Railway Expenditure	21,00	12,50	16,72	22,45
TOTAL .	30,43	38,40	24,13	38,45

27. *Land and Subsidy.*—The Revised estimate shows a decrease of 18,49 on the Budget grant. This is mainly due to the postponement of works on certain railways and delays in land acquisition proceedings. The Budget estimate of 1924-25 provides for an increase of about 9 lakhs over the Revised estimate for 1923-24. The increase is chiefly due to the provision of 1,20 made for land required for the Bengal and North-Western Railway and for the land required for the following Branch Lines :—

Jhari Jhanjail Bagmara	1,62
Bagmara Siju	2,00
Sirhind Rupar	4,00

28. *Miscellaneous Railway Expenditure.*—The Revised estimate for 1923-24 provides for an increase of 4,22 over the Budget estimate. Rs. 3 lakhs of this increase is due to pensionary charges in India of railway employés, a charge which has hitherto appeared in the Civil estimates. The remainder of the excess is due to increased provision required for miscellaneous establishments employed under the Railway Board. A substantial increase in expenditure must be expected under this head owing to the more active policy now being pursued in the matter of the investigation of problems directed towards the more efficient and economical working of railways. In regard to the latter, it may be explained that the Railway Board have found it necessary during the course of the year to provide for special establishments to verify and value all the stock of stores held by the East Indian and the Great Indian Peninsula Railways prior to the termination of the existing contracts with these Companies ; and for the reduction of stores balances on the North Western Railway. Officers have also been placed on special duty in connection with the inauguration of the scheme for the training of Railway staff, and for the investigation of the whole problem of workshop facilities on the Great Indian Peninsula and Bombay, Baroda and Central India Railways.

The Budget estimate for 1924-25 is 5,73 more than the Revised estimate of the current year distributed as follows:—

Survey expenses	1,37
Establishment of the Railway Board	1,53
Pensionary charges	3,44
Miscellaneous items	—61

The excess under Surveys is due to the policy of undertaking new extensions (*vide* paragraph 16) the increased provision for the establishment of the Railway Board follows the re-organisation of the Board, a matter which is fully dealt with in paragraph 35, and the increased provision on account of pensionary charges is due to the inclusion in the Railway Budget of payments on account of these charges when incurred in England, as well as in India.

General Matters.

29. *Retrenchment of Expenditure.*—The question of retrenchment of expenditure is receiving attention on all Railways in India. One of the visible results of efforts in this direction is a reduction in the number of employés; and two statements are appended (Annexures A and B) which show in full detail what has been effected. It will be seen that during the twelve months to the end of October 1923, the number of subordinate employés has been reduced by 36,388 or 5·3 per cent. and that nearly 50 per cent. of this reduction occurred on the Great Indian Peninsula Railway, which was specially mentioned in the Retrenchment Committee's Report. A small increase has occurred in the number of superior appointments and is due to the accepted necessity for more effective supervision and to the re-organisation of the watch and ward establishments on Railways.

Steps have also been taken during the year on every Railway Administration either through retrenchment committees or through special officers to effect economies under every head. The enquiries into the possibilities of retrenchment have not yet been completed, and it is not therefore possible to give a resumé of their results; but it is intended to supply this information in the next Administration Report. In making these enquiries, Railway Administrations have particularly borne in mind the criticisms made by the Retrenchment Committee. But it is not intended to imply that the process of searching for labour-saving contrivances, and more economic methods of working should ever cease; and the action taken by the different Railway Administrations in particular matters will be reviewed, in order to see whether economies found feasible on one railway cannot equally be introduced on another.

The Railway Board has, during the year, revised the statistics prepared by the Railway Administrations, more particularly in order to ascertain the comparative costs of working under different heads on each railway system in India. It is intended that these statistics should be utilised in order to check the expenditure under various heads and to introduce more economical methods on railways where particular operating ratios are higher than others.

30. *Indianisation.*—The statements referred to in the previous paragraph have been so drawn up as to show the progress secured in obtaining Indians for service on the railways. It will be seen that the number of Indians in superior appointments rose from 277 to 288; and that though there has been a reduction of 5·2 per cent. in the total number of Indian subordinate employés, the number of such employés on scales of pay rising to Rs. 250 and over has fallen by only 6 compared with a drop of 166 Europeans and 38 Anglo-Indians.

31. *Reduction of Stores balances.*—For some time past the heavy stores balances held by Railways have been the subject of anxious consideration; and in order to effect an improvement the Railway Board held a conference in September last with responsible representatives from Railways. At this conference the whole question of the reduction of balances and the proper accounting of stores receipts and issues was exhaustively examined, and revised instructions calculated to reduce stores balances in a reasonable time to a normal figure have recently been issued by the Railway Board. One important matter in connection with the large stores balances calls for special mention. Owing to the exceptional conditions prevailing during and for some time after the war a large proportion of stores now held in stock are priced in the books at figures materially higher than the current market rates; and a very considerable amount—the exact amount is not yet known—will be required to write their value down. Orders have been issued by the Railway Board that the repricing of all important items of stores should be undertaken at once; and it has been provisionally decided that, in each of the next five years, provision should be made for a debit to revenue on this acccount of Rs. 30 lakhs per annum. The money will be obtained from the amount carried to Railway reserves The Railway Board have clearly impressed on the Railway Administrations that this arrangement is special and is designed to clear up the special position following on a period of very high prices and the circumstances of recent years, and that they would not be prepared to adopt this arrangement in the ordinary course of events.

32 Closely connected with the question of the reduction of stores balances generally is the necessity for a proper valuation of the stores actually held in stock by the East Indian and Great Indian Peninsula Railways before the termination of the existing contracts with these Railways. The matter is under investigation by special experienced officers working under the orders of the Railway Board.

33. *Compensation Claims.*—Very large amounts have been paid in recent years on compensation for goods lost and damaged and certain definite measures are now being undertaken to effect an improvement in the situation Broadly speaking the remedial measures fall under two classes—(1) improvements of existing methods and devices calculated to prevent or reduce to a minimum losses and damages, (2) improvement and acceleration of the methods of investigation and settlement of claims. Among the preventive measures of the first class already undertaken are—(*a*) arrangements for rivetting wagons, (*b*) expenditure on the improvement of the lighting and protection of yards, (*c*) organization of a more efficient watch and ward staff. Under the second class falls more especially enforcement of responsibility for loss and damages on the station and running staff. It is hoped that the close attention that is being given to this subject will result in a substantial reduction of compensation claims.

34. *Reorganisation of the Railway Board.*—A scheme for the reorganisation of the Railway Board was undertaken during the year. The reorganisation has been framed on the main principles underlying the report of the Acworth Committee. Briefly these principles are that the Railway Department (Railway Board) should be given such independence in carrying out its work as is compatible with its position as a department of the Government of India and such freedom in shaping and carrying out railway policy as will enable it to treat the railways of India as a property to be developed on commercial lines.

The urgency for the re-organisation undertaken is further emphasised by the decision that the East Indian and the Great Indian Peninsula Railways should be taken under State management at the expiry of their present contracts, since the addition of these two systems to the railways already managed by the Railway Department will inevitably add an appreciable burden to the headquarters administration.

The revised organisation sanctioned compares as follows with that previously in force :—

OLD ORGANISATION.							NEW ORGANISATION.						
No.	Designation.	Present Scale.			Average cost.	Total.	No.	Designation.	Proposed scale.			Average cost.	Total.
		Minimum.	Increment.	Maximum.					Minimum.	Increment.	Maximum.		
1	President	5,000	...	5,000	5,000*	5,000	1	Chief Commissioner of Railways	6,000	...	6,000	6,000	6,000
2	Members	4,000	...	4,000	4,000	8,000	2	Members	4,000	...	4,000	4,000	8,000
1	Financial Adviser	2,500	...	2,500	2,500	2,500	1	Financial Commissioner	4,000	...	4,000	4,000	4,000
1	Chief Engineer	2,750	125	3,000	2,874	2,874	1	Director of Civil Engineering	500	100	3,000	2,748	2,748
1	Chief Mechanical Engineer	2,750	125	3,000	2,874	2,874	1	Director of Mechanical Engineering	2,500	100	3,000	2,748	2,748
							1	Director of Traffic	2,500	100	3,000	2,748	2,748
							1	Director of Establishment	2,500	100	3,000	2,748	2,748
1	Secretary	2,000	100	2,500	2,248	2,248	1	Secretary	2,500	100	2,800	2,649	2,649
1	Joint Secretary	1,800	100	2,000	1,899	1,899	6	Deputy Directors	775	...	1,625	1,427	8,562
									250	Duty allowance			
4	Assistant Secretaries	775	...	1,625	1,427	5,708	1	Assistant Director	525	...	1,225	1,115	1,115
		250	Duty allowance						250	D. A.			
1	Registrar	900	50	1,000	949	949	1	Assistant Secretary	1,000	50	1,250	1,124	1,124
13						32,052	17						42,442

Note 1.—The appointment of Chief Mechanical Engineer was sanctioned on a temporary basis in 1923.

Note 2.—The six appointments of Deputy Directors are required for the following branches :—
Traffic, Way and Works, Project, Establishment, Statistics and Stores.

Note 3.—The extra cost involved is Rs. 10,390 per mensem or Rs. 1,24,680 per annum. The complete re-organisation recommended by the Ackworth Committee has been estimated by them to involve an additional cost of £25,000 to £30,000 per annum. Part of this difference is, however, due to elimination of the control of major ports which the Committee proposed to place under the Chief Commissioner for Railways.

* Rs. 6,000 if appointed from outside the official ranks.

The appointment of Chief Commissioner was sanctioned in November 1922 and in accordance with the recommendations of the Acworth Committee, he is solely responsible, under the Government of India, for arriving at decision on technical questions and advising the Government of India on matters of Railway policy. The appointment of Financial Commissioner which was recommended both by the Acworth Committee and the Indian Retrenchment Committee, was made in April 1923 with the sanction of the Secretary of State. The two appointments of Members of the Railway Board have been retained. It has been decided for reasons connected with the present statutory position of the Railway Board, and to avoid confusion with the provisions for a Railway Commission under Chapter V of the Railway Act, to retain the name 'Railway Board' for the headquarters organization of the Railway Department, instead of "Railway Commission" as recommended by the Acworth Committee.

The Railway Board as now constituted consists of the Chief Commissioner as president, the Financial Commissioner and 2 Members. The Acworth Committee proposed that the Indian Railway system should be sub-divided into 3 Territorial Divisions and that a Commissioner should be allocated to each Division. Most careful consideration was given to this recommendation of the Committee, but it was found that it would involve a great deal of overlapping of subjects and duplication of duties, and would also, by interposing another officer between the Railway Department and the Agents, give rise to delays in work and lack of promptness in giving decisions. It has, therefore, been decided to allot the duties of the two Members on the basis of subjects rather than on a territorial basis. This has an incidental advantage in enabling the work to be done by two Members instead of three, as recommended by the Acworth Committee. In view, however of the importance of the question involved, it has been decided to introduce this system tentatively and to consider, after it has been in force for one year, whether it should be retained or altered in favour of a division of work on a territorial basis. The re-organization provides for arrangements to relieve the Chief Commissioner and Members from all but important work by the appointment of responsible Directors at the head of each of the main branches of work, namely, Civil Engineering, Mechanical Engineering, Traffic and Establishment. It is expected that the re-arrangement of the disposal of current work under this organization will free the Chief Commissioner and the Members to devote their attention to larger questions of Railway policy and enable them to tour over the various Railway systems to a greater extent than they have been able to do in the past. By this means they will keep in touch with local Governments, Railway Administrations and public bodies to an extent which will largely meet the principal object of the Acworth Committee in recommending the appointment of Territorial Commissioners. As a general rule it will be possible for either the Chief Commissioner or one of the Members to visit the headquarters of every major local Government and every important Railway Administration at least once a year. Such visits have in effect been carried out during the past year with very beneficial results in the disposal of business.

Two of the four Directors are already in existence in the form of the Chief Engineer and the Chief Mechanical Engineer. Hitherto these officers have been employed mainly in consultative work, but under the re-organization the scope of their duties is being enlarged so as to entrust them with the direct disposal of such matters dealt with in their branches as do not raise large questions of policy.

The present posts of 1 Joint Secretary and 4 Assistant Secretaries are to be replaced by 6 Deputy Directors of similar status and 1 Assistant Director. Of these 1 officer is required to reconstitute the post temporarily discontinued in the Projects branch of the office, as it has been found impossible to carry on the current work relating to projects and open lines with a single Assistant Secretary in view of the very large number of projects which now have to be examined by the Railway Board. The other additional Deputy Director is required for dealing with statistics and the need for a whole-time officer for this subject has been very forcibly brought out by the criticisms to which

former statistics and their use have been subjected both by the Acworth Committee and the Retrenchment Committee. Very considerable progress has already been made in the form of the statistics and their use as an aid to practical railway management during the past year, and the statistics now compiled by the Railway Board are on modern lines and have already proved themselves to be extremely valuable in the improvement of working and reduction of working expenses.

Provision has also been made for an addition to the junior officers in the administration of an Assistant Director, whose duties will be to supervise the Technical branch of the office and the Drawing office, which is becoming of considerable importance in view of the progress which is being made towards standardization in technical matters.

The only other change made in the internal constitution of the office is in the position of the Secretary—a measure which is necessary in view of the very heavy responsibilities which have now devolved upon this officer It has also been decided to abolish the post of the Registrar and appoint in his place an Assistant Secretary—a measure which is in accordance with what has been done in other Departments.

In order to complete the scheme of re-organisation, the Chief Commissioner of Railways has proposed a very considerable change in the method of dealing with audit and accounting within the Department and within the various Railway Administrations managed by the State and a rearrangement of the duties of Government Inspectors. These proposals are under consideration.

C. D. M. HINDLEY,
Chief Commissioner for Railways.

A. A. L. PARSONS,
Financial Commissioner, Railways.

DELHI:
31st March 1924.

Annexure A.

Statement showing details of the total superior staff employed on State and Companies Railways on 1st November 1922 and on 1st November 1923.

Gazetted Officers and Officers of corresponding status on Companies Railways.

Railway.	Year.	Agency.			Engineering.			Traffic.			Locomotive.			Carriage and Wagon.			Stores.			Other Departments.			Total.			Decrease — Increase +.			Total.
		Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
A. B.	1923	3	...	...	19	...	2	11	1	1	10	...	1	Included in Locomotive.			1	...	...	9	1	2	53	2	6	+2	...	−1	+3
	1922	3	...	...	19	...	2	11	1	1	9	...	...				1	...	...	8	1	2	51	2	5				
B. N.	1923	5	1	1	44	3	12	33	2	11	21	...	...	7	...	...	7	...	1	26	...	3	143	6	28	...	...	−1	−1
	1922	4	1	1	46	3	13	33	2	11	23	...	...	6	...	...	7	...	1	24	...	4	143	6	29				
B. and N. W.	1923	2	...	...	24	...	...	15	...	3	5	...	...	Included in Locomotive.			1	...	...	12	...	3	59	...	5	−3	−2	...	−5
	1922	2	...	...	25	1	...	15	...	3	6	...	...				1	...	...	13	1	2	62	2	5				
B. B. and C. I.	1923	6	...	...	46	...	10	34	2	7	18	1	...	8	...	...	7	...	...	26	3	5	145	6	22	...	...	+3	+3
	1922	5	...	...	45	...	9	33	2	6	20	1	...	9	...	...	7	...	...	26	3	4	145	6	19				
Burma	1923	3	1	...	35	4	1	21	2	2	12	...	...	5	...	...	2	1	1	12	...	1	90	8	5	+1	+3	...	+4
	1922	3	...	...	34	3	1	22	1	2	12	...	...	4	...	...	2	1	1	12	...	1	89	5	5				
E. B.	1923	4	1	1	23	5	16	26	2	10	20	...	2	Included in Locomotive.			5	1	1	4	2	5	82	11	35	−3	+1	+2	...
	1922	2	1	...	24	5	14	29	2	11	20	...	2				7	1	...	3	1	6	85	10	33				
E. I.	1923	8	...	2	53	1	11	45	9	14	27	...	3	11	1	3	4	1	...	54	3	6	202	15	39	+8	−5	...	+3
	1922	8	...	2	51	1	11	41	13	14	27	...	3	11	1	3	4	1	...	52	4	6	194	20	39				
G. I. P.	1923	7	...	...	70	1	10	41	1	1T	19	...	...	6	...	...	8	...	...	28	1	7	196	8	23	−5	−2	+1	−6
								17	5	5C																			
	1922	7	...	...	74	1	10	40	3	1T	19	...	...	9	...	...	8	...	...	29	1	5	201	10	22				
								15	5	6C																			
M. and S. M.	1923	5	...	1	41	1	4	22	2	5	21	...	...	Included in Locomotive.			5	...	1	21	1		115	4	18	...	...	+1	+1
	1922	4	...	1	40	1	3	25	2	5	22	...	...				5	...	1	19	1	7	115	4	17				
N. W.	1923	7	...	3	67	8	39	44	2	16	46	...	...	13	...	...	6	...	2	7	...	8	190	10	68	+8	−2	+5	+11
	1922	6	...	1	63	8	35	45	2	15	43	...	...	12	1	...	7	1	3	6	...	2	182	12	63				
O. and R.	1923	2	...	...	17	2	11	10	2	9	8	...	...	4	...	...	5	...	1	3	1	4	49	5	25	+1	+1	−1	+1
	1922	2	...	...	16	2	11	10	2	9	8	...	...	4	...	...	5	...	1	3	...	5	45	4	26				
R. and K.	1923	3	...	...	7	...	...	3	...	...	5	...	...	Included in Locomotive.			1	...	...	3	...	2	22	...	2	+3	−1	+1	+3
	1922	2	...	...	8	...	...	2	1	...	3	...	...				1	...	...	3	...	1	19	1	1				
S. I.	1923	2	1	1	32	...	7	21	...	2	14	...	...	Included in Locomotive.			3	2	...	10	1	2	82	4	12	−1	...	−1	−2
	1922	2	1	1	33	...	7	21	...	2	14	...	...				3	2	...	10	1	3	83	4	13				
Total	1923	57	4	9	478	25	123	343	30	86	226	1	6	54	1	3	55	5	7	215	13	54	1,428	79	288	+11	−7	+11	+15
	1922	50	3	6	478	25	115	342	36	86	226	1	5	55	2	3	58	6	7	208	13	55	1,417	86	277				

The figures under Traffic Department are in the case of the Great Indian Peninsula Railway shown separately for the new Transportation and Commercial Department.

Annex

Statement showing details of total subordinate staff employed on

Railway.	Year.	SUBORDINATE DRAWING PAY Rs 250 PER MENSEM AND OVER OR ON SCALES OF PAY RISING TO																	
		AGENCY.			ENGINEERING.			TRAFFIC			LOCOMOTIVE			CARR. AND WAGON.			STORES.		
		Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
A. B.	1923	...	1	4	6	6	8	5	12	2	12	13	4	Included in Loco.	...	...	...	1	...
	1922	...	1	4	5	5	8	5	13	2	11	15	4		...	...	...	1	...
B. N.	1923	2	...	4	11	29	20	31	78	15	253	193	11	12	21	2	6	5	4
	1922	3	...	5	12	29	20	38	86	14	264	173	10	14	20	2	4	4	5
B. & N. W.	1923	...	1	...	2	18	2	6	7	4	3	4	...	Included in Loco.	...	...	...	1	...
	1922	...	1	...	1	18	2	7	6	3	5	3	1		...	...	...	1	...
B. B. & C. I.	1923	1	1	7	17	14	111	51	16	108	207	188	40	28	34	12	1	3	8
	1922	1	1	8	15	15	111	50	15	106	206	186	38	31	30	12	1	2	9
Burma	1923	...	6	3	3	28	43	4	37	12	19	74	6	9	11	5	...	...	3
	1922	...	7	3	3	29	45	6	36	12	21	65	7	9	13	5	...	...	3
E. B.	1923	4	2	3	13	28	39	51	35	19	78	55	9	Included in Loco.	...	...	2	5	4
	1922	3	2	4	13	28	34	54	36	19	82	55	9		...	...	2	5	4
E. I.	1923	1	...	6	65	93	79	174	154	34	470	316	10	61	41	8	13	6	5
	1922	1	...	6	63	97	80	169	168	31	479	264	10	60	40	8	13	8	5
G. I. P.	1923	3	1	5	47	31	59	...	2	36-C.	71	49	18	44	19	15	6	1	5
								370	340	60-T.									
								2	7	31-C.									
	1922	6	...	3	51	35	56	426	409	51-T.	89	51	18	45	25	19	6	1	5
M. & S. M.	1923	...	1	3	12	24	12	9	15	1	58	80	2	Included in Loco.	...	...	2	...	2
	1922	...	1	3	13	24	13	9	15	1	59	72	1		...	...	2	...	2
N. W.	1923	2	...	4	40	41	174	132	65	41	163	77	26	77	64	57	8	6	27
	1922	2	...	4	48	43	174	155	77	50	162	90	29	78	68	58	9	6	24
O. & R.	1923	1	1	2	12	22	19	35	22	24	19	28	2	16	21	1	2	5	7
	1922	1	1	1	14	19	22	38	19	30	19	27	1	13	25	1	2	5	7
R. & K.	1923	...	...	1	...	2	...	...	5	...	1	5	2	1	1	...	...	...	...
	1922	...	...	1	...	2	...	...	6	...	4	2	1	1	1	...	...	...	...
S. I.	1923	..	1	3	6	12	2	13	7	14	42	118	15	Included in Loco.	...	...	...	2	1
	1922	...	1	3	5	14	2	17	7	14	42	122	20		...	...	...	2	1
TOTAL	1923	14	15	45	234	348*	568	881	795	370	1,396	1,200	145	248	212	100	40	35	66
	1922	17	15	45	243	358	567	976	900	364	1,443	1,125	149	251	222	105	39	35	65

The figures under Traffic Department are in the case of the Great Indian Peninsula Railway

ure B.

State and Companies Railways on 1st November 1922 and on 1st November 1923.

Rs. 250 per mensem and over.						Other Staff.			Grand Total.			Decrease — Increase +.			Percentage Decrease — Increase +.			Remarks.
Other Depts.			Total.															
Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	
21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	
...	1	5	23	34	23	14	246	11,294	37	280	11,317	+1	−40	−720	+2·8	− 12·5	−6·0	
...	1	5	21	36	23	15	284	12,014	36	320	12,037							
40	55	55	355	381	111	172	805	55,554	527	1,186	55,665	−11	+52	−1,642	−2·0	+4·6	−2·9	
41	51	49	376	363	105	162	771	57,202	538	1,134	57,307							
13	18	6	24	49	12	39	156	25,826	63	205	25,838	+3	−5	−914	+5·0	− 2·4	−3·4	
11	14	3	24	43	9	36	167	26,743	60	210	26,752							
9	28	93	314	284	379	208	590	68,967	522	874	69,346	+25	+10	−2,033	+5·0	+ 1·2	−2·8	
15	27	92	319	276	376	178	588	71,003	497	864	71,379							
2	7	33	37	163	105	6	423	22,218	43	586	22,323	−3	−4	+434	−6·5	−0·7	+2·0	
2	6	32	41	156	107	5	434	21,782	46	590	21,889							
1	21	36	149	146	110	136	364	45,343	285	510	45,453	−9	−22	−2,139	−3·0	+4·1	−4·5	
...	19	39	154	145	109	140	387	47,483	294	532	47,592							
75	45	53	859	655	195	445	1,010	1,02,894	1,304	1,665	1,03,089	−3	−104	−4,534	−0·2	−5·9	−4·2	
76	41	50	861	618	190	446	1,151	1,07,433	1,307	1,769	1,07,623							
16	16	43	57	459	241	344	896	92,548	901	1,355	92,789	−146	−234	−16,529	−13·9	−14·7	−15·1	
22	16	49	647	544	232	400	1,045	1,09,086	1,047	1,589	1,09,318							
3	12	10	84	132	30	81	1,854	46,875	165	1,986	46,905	+14	−30	−945	+9·3	1·5	−2·0	
3	12	9	86	124	29	65	1,892	47,821	151	2,016	47,850							
2	3	46	424	256	375	456	540	1,07,034	880	796	1,07,409	−12	−57	−4,453	−1·3	−6·7	−4·0	
2	3	47	456	287	386	436	566	1,11,476	892	853	1,11,862							
2	2	8	87	101	63	95	250	27,756	182	351	27,819	−16	−7	−145	−8·1	− 2·0	−5·0	
2	1	8	89	97	70	109	261	29,200	198	358	29,270							
...	1	1	2	14	4	1	19	6,020	3	33	6,024	−4	−3	+197	−57·1	−8·3	+3·4	
...	1	1	5	12	3	2	24	5,824	7	36	5,827							
1	4	19	62	144	54	38	1,029	30,185	100	1,173	30,239	−10	−93	−951	−9·1	−7·3	−3·0	
...	9	29	64	155	69	46	1,111	31,121	110	1,266	31,190							
164	213	408	2,977	2,818	1,702	2,035	8,182	6,42,514	5,012	11,000	6,44,216	−171	−537	−35,680	−3·3	−4·7	−5·2	
174	201	413	3,143	2,856	1,708	2,040	8,681	6,78,188	5,183	11,537	6,79,826							
														−36,388				

hown separately for the new Transportation and Commercial Departments.

Appendix I.

Capital Expenditure on State Railways, 1922-23, and Estimated Expenditure on such works in 1923-24 and 1924-25, and to end of 1924-25.

Railways.	To end of 1921-22.	Accounts, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.	To end of 1924-25.	Remarks.
OPEN LINES.	Rs.	Rs.	Rs.	Rs.	Rs.	
State Railways worked by State.						
Aden Railway	12,15,896	1,88,941	1,00,000	76,000	15,80,837	
Delhi (new Capital) Railway Works Scheme	15,41,149	26,34,295	26,21,000	16,99,000	85,45,444	
Eastern Bengal	42,20,32,672	56,08,710	99,89,000	76,03,000	44,52,33,382	
Jodhpur-Hyderabad (British Section)	46,58,876	1,77,201	3,75,000	2,93,000	55,04,077	
North-Western :—						
Commercial	82,01,63,165	1,14,66,715	1,58,88,000	1,98,50,000	86,73,67,880	
Non-Commercial (Strategic)	23,74,27,347	18,85,075	40,63,000	5,90,000	24,39,65,422	
Oudh and Rohilkhand	29,73,28,717	76,73,468	1,03,12,000	89,54,000	32,42,73,185	
Stores	14,70,406	−4,90,209	78,65,000	63,35,000	1,51,80,197	
Abandoned projects	32,86,316	...	...	...	32,86,316	
Total State Railways worked by State	1,78,91,24,544	2,91,99,196	5,12,13,000	4,54,00,000	1,91,49,36,740	

Appendix I—*continued.*

Railways.	To end of 1921-22.	Accounts, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.	To end of 1924-25.	Remarks.
OPEN LINES. **State Railways Worked by Companies.**	Rs.	Rs.	Rs.	Rs.	Rs.	
Agra-Delhi Chord	1,51,14,123	—36,759	46,000	1,54,000	1,52,77,364	
Assam-Bengal Part I	17,93,79,949	5,654	40,000	2,00,000	19,08,25,524	
" II		48,00,921	34,93,000	29,06,000		
Baran-Kotah	49,59,801	—744	2,00,000	...	51,59,057	
Bengal-Nagpur	52,35,23,673	3,09,35,617	2,78,05,000	2,92,68,000	61,15,32,290	
Bezwada Extension	13,41,600	54,389	1,11,000	69,000	15,75,989	
Bhopal	44,84,439	47,709	80,000	...	46,12,148	
Bombay, Baroda and Central India	58,74,17,358	2,70,18,301	2,47,15,000	2,01,66,000	65,93,16,659	
Burma	20,97,13,398	62,63,732	67,20,000	55,07,000	23,22,07,566	
Burma Railways Extensions		18,79,436	19,64,000	1,60,000		
Cawnpur-Banda	31,76,425	33,275	80,000	...	82,89,700	
Coonoor-Ootacamund	49,23,750	5,576	47,000	67,000	50,43,326	
Dhone-Kurnool	10,18,342	...	5,000	5,000	10,28,342	
East Indian including South Behar	92,51,74,212	1,60,65,854	3,31,51,000	3,44,95,000	1,00,88,86,066	
Great Indian Peninsula Railway System	92,07,35,444	37,725	1,08,05,000	3,23,03,000	96,38,81,169	
Lucknow-Bareilly	1,39,94,918	22,59,106	—1,71,000	67,000	1,61,50,024	
Madras and Southern Mahratta	48,03,96,363	49,38,337	99,23,000	1,51,49,000	51,04,06,700	
Matheran Steam Tramway—Purchase of	...	...	7,50,000	...	7,50,000	
South Indian	20,92,35,180	1,19,32,328	80,16,000	1,19,99,000	24,11,82,508	
Southern Shan States (Thazi Aungban)	1,67,53,694	61,585	2,92,000	20,000	1,71,27,279	
Tinnevelly Quilon (British Section)	43,72,749	34,377	46,000	40,000	44,93,126	
Ditto (Indian State Section)	1,32,42,268	1,14,992	1,91,000	4,26,000	1,39,74,260	
Tirhoot Railway and Extensions	8,33,66,908	19,11,251	22,89,000	19,56,000	8,95,23,159	
Total State Railways worked by Companies	4,20,73,24,594	10,83,62,662	13,05,98,000	15,49,57,000	4,60,12,42,256	
TOTAL OPEN LINES	5,99,64,49,138	13,75,61,858	18,18,11,000	20,03,57,000	6,51,61,78,996	

Appendix I—*continued.*

Railways.	To end of 1921-22.	Accounts, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.	To end of 1924-25.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs	Rs.	Rs.	Rs.	
Total Open Lines brought forward	5,99,64,49,138	13,75,61,858	18,18,11,000	20,03,57,000	6,51,61,78,996			
LINES UNDER CONSTRUCTION.								
State Railways worked by State.								
Khyber Railway (non-commercial line)	72,12,294	67,26,897	73,79,000	19,54,000	2,32,72,191	1,96,85,820(*a*)		(*a*) Revised Estimate amounting to Rs. 2,43,34,108 has been submitted to Secretary of State for sanction.
Central India Coal Fields	...	...	...	50,00,000	50,00,000	...		
State Railways worked by Companies.								
Amda Jamda	57,80,741	40,42,990	23,41,000	11,94,000	1,33,58,731	1,26,89,107(*b*)		
Bermo Duneya Section—								
East Indian Railway share	2,42,581	10,69,842	7,06,000	3,09,000	23,27,423	26,37,771(*b*)		
Bengal Nagpur Railway share	6,86,249	6,56,039	7,98,000	4,34,000	25,74,888			(*b*) Revised Estimate under consideration.
Bombay Harbour Branch Extension	48,84,539	20,53,231	7,85,000	6,70,000	83,92,770	71,97,901(*c*)		(*c*) Supplementary estimate is awaited.
Vizagapatam Harbour	13,13,651	7,10,357	12,00,000	...	32,24,008	...		
Itarsi-Nagpur and branch to. Pench Valley Coalfields	3,00,89,235	8,56,446	45,36,000	5,00,000	3,59,81,681	3,09,83,163(*d*)		
Onlajori Badampahar Branch	21,45,845	2,84,590	...	...	24,30,435	30,15,595	5,85,160	(*d*) Revised estimate is awaited.
Parvatipore Singapore Road	3,09,894	11,522	15,000		3,36,416	56,47,094(*e*)	53,10,678	(*e*) The project is at present in abeyance.
Majri Rajur	1,76,564	11,22,378	9,20,000	3,98,000	26,16,942	31,16,831		
South Karanpura coal fields—								
Bengal Nagpur	76,222	2,72,955	11,53,000	9,73,000	24,75,177	31,63,385(*b*)		
East Indian	6,137	3,19,136	10,92,000	8,45,000	22,62,273			
Dholka-Dhanduka	10,99,976	10,03,329	5,30,000	11,00,000	37,33,305	31,03,674(*b*)		
Chandrapura Gomoh	...	...	1,90,000	7,00,000	8,90,000	15,90,684	7,00,684	
Virudupati Tenkasi	...	...	...	33,00,000	33,00,000	58,26,872	30,26,872	
Khawang Sibsagar	...	...	2,000	13,75,000	13,77,000	26,91,862	13,41,862	
Bauktaw Tadagale	...	...	1,00,000	4,00,000	5,00,000	...	...	
Vilupuram-Trichinopoly	...	...	9,000	80,00,000	80,09,000	1,69,00,000(*f*)	1,32,91,000	(*f*) This is an approximate estimate. Detailed estimates are under preparation.
Talchir coal fields	...	3,14,372	37,21,000	32,78,000	73,13,372	80,93,759	7,80,387	
„ prospecting survey	...	76,850	35,000	...	1,11,850	...		
Hesla Chandil	...	2,48,980	11,74,000	51,87,000	66,09,980	...		
Shoranur-Nilambur	...	...	50,000	41,00,000	41,50,000	62,00,000(*g*)	31,50,000	(*g*) Construction estimate is awaited.
South Karanpara prospecting survey	...	2,30,110	74,000	...	3,04,110			
Transfer to Central Government of outlay on lines in Burma under construction from Provincial funds	...	...	1,87,51,000	55,97,000	2,43,48,000			
Total Lines under construction	5,40,23,928	2,00,06,624	4,55,61,000	4,53,14,000	16,48,99,552			
Savings anticipated	...	...	1,48,28,000	...	1,48,28,000			
Reserve	...	...	...	5,43,29,000	5,43,29,000			
Readjustment of capital outlay in England of Railway Companies at the average rate	94,44,326	45,46,748	...	...	1,39,91,074			
Total	6,05,99,17,392	16,21,09,230	21,25,44,000	30,00,00,000	6,73,45,70,622			

Appendix I—*continued.*

Railways.	To end of 1921-22.	Accounts, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.	To end of 1924-25.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Grand Total brought forward	6,05,99,17,392	16,21,09,230	21,25,44,000	30,00,00,000	6,73,45,70,622			
Provincial—								
Jorhat	12,84,136	—5,925	...	...	12,78,211			
United Provinces—Resin distillery	1,72,931	...	...	...	1,72,931			
Burma	54,71,266	59,53,944	...	...	1,14,25,210			
GRAND TOTAL	6,06,68,45,725	16,80,57,249	21,25,44,000	30,00,00,000	6,74,74,46,974			
Distributed as under—								
Capital Expenditure on Railways (not charged to Revenue)—								
53. Construction of Railways	4,06,97,27,193	18,43,42,305	23,60,64,000	30,00,00,000	4,79,01,33,498			
Total undischarged liability involved in the purchase by the State of the Capital of the Old Guaranteed Railway Companies.	1,85,05,95,045*	—2,22,33,075*	—2,35,20,000	...	1,80,48,41,970			
Capital Expenditure on Railways (charged to Revenue)—								
13. Construction of Railways—								
Central	13,95,95,154	...	...	...	13,95,95,154			
Provincial	69,28,333	59,48,019	...	...	1,28,76,352			
Total as above	6,06,68,45,725	16,80,57,249	21,25,44,000	30,00,00,000	6,74,74,46,974			

*

Class and name of Railway.	Total initial liabilities.	Deduct— Amount redeemed by annuities.	Deduct— Amount redeemed by sinking fund.	Total undischarged liabilities.
	Rs.	Rs.	Rs.	Rs.
State Railways worked by the State—				
Eastern Bengal Railway	7,88,02,175	92,81,835	45,26,700	5,99,93,640
North Western Railway	21,01,42,935	2,80,65,630	3,71,80,305	14,48,97,000
Oudh and Rohilkhand Railway	15,50,40,735	...	...	15,50,40,735
Total	43,89,85,845	3,73,47,465	4,17,07,005	35,99,31,375
State Railways worked by the Company—				
Bombay, Baroda and Central India Railway	21,72,06,690	...	...	21,72,06,690
East Indian Railway	56,26,66,110	9,21,96,810	6,33,28,830	40,71,40,470
Great Indian Peninsula Railway	71,26,60,020	15,22 39,140	...	56,04,20,880
Madras and Southern Mahratta Railway	22.44,65,370	2,61,91,170	...	19,82,74,200
South Indian Railway	8,53,88,355	...	...	8,53,88,355
Total	1,80,23,86,545	27,06,27,120	6,33,28,830	1,46,84,30,595
Grand total	2,24,13,72,390	30,79,74,585	10,50,35,835	1,82,83.61,970

Sterling figures converted at Rs. 15 = 1 £.

Appendix II.

Gross receipts, working expenses, and net receipts of State Railways for five years ending 1922-23, with Revised Estimates for 1923-24 and Budget Estimates for 1924-25.

(Omitting 000, except in Accounts.)

State Railways.	Accounts. 1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
	M.	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*
Open mileage at beginning of year	26,464	26,106	26,580	26,799	26,961	27,162	27,302
Gross Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
INDIA.							
State Railways worked by the State.							
Aden	2,00,020	—1,20,169	2,69,839	2,50,523	2,24,626	2,00	2,06
Eastern Bengal	3,82,07,444	4,45,45,072	4,61,08,642	4,42,96,639	5,24,50,582	5,28,00	5,30,00
North Western—							
Commercial Lines	12,46,94,829	12,32,80,625	12,97,73,559	11,34,90,666	12,95,24,443	13,02,77	13,51,80
Non-commercial—(Strategic Lines)				1,64,24,789	1,55,26,295	1,97,23	1,98,20
Oudh and Rohilkhand	3,29,48,935	3,14,64,244	3,26,48,785	3,31,34,469	3,84,92,842	3,74,00	3,60,00
State Railways worked by Companies.							
Assam-Bengal	79,08,099	1,04,20,975	1,02,65,216	85,15,384	1,20,56,460	1,27,00	1,25,00
Bengal-Nagpur	6,19,41,370	6,59,31,392	6,39,37,399	6,67,91,163	7,70,71,210	7,70,00	8,40,00
Bezwada Extension	5,22,461	5,47,023	5,29,380	6,20,598	6,57,214	7,43	7,00
Bombay, Baroda and Central India	9,46,92,452	9,67,12,806	9,94,16,377	10,25,31,934	11,75,19,333	11,90,00	12,00,00
Burma	2,63,70,481	2,97,14,049					
Burma Railway Extensions	25,45,496	27,14,727	3,26,29,019	3,51,73,283	4,06,98,058	4,12,40	4,25,00
Southern Shan States	4,80,827	5,29,400					
East Indian	13,43,96,239	13,25,76,404	13,84,16,068	13,38,87,673	15,55,59,040	16,10,75	17,00,00
Great Indian Peninsula including Indian Midland	11,88,02,697	12,60,42,370	12,79,35,857	12,61,70,645	14,11,38,133		
Agra-Delhi Chord	44,50,953	46,98,873	50,30,667	47,07,855	50,84,396		
Bhopal	11,16,515	11,00,906	12,76,267	12,06,962	12,97,300	14,38,00	14,87,00
Baran-Kotah	1,83,314	1,88,936	1,62,889	1,77,242	2,11,961		
Cawnpore-Banda	3,20,819	3,73,187	3,89,254	4,50,307	4,78,269		
Jodhpur-Hyderabad (British Section)	19,90,444	15,81,739	18,78,972	19,14,178	17,76,091	21,00	21,50
Lucknow-Bareilly	31,54,296	30,02,910	29,81,726	35,02,136	36,82,574	35,97	35,62
Madras and Southern Mahratta Railway.	5,42,92,629	5,73,95,956	6,22,45,540	6,55,08,869	7,28,13,554		
Mysore State lines	44,48,501	41,36,445				7,31,07	7,29,77
Dhone-Kurnool	1,48,714	1,76,829	1,82,083	1,85,177	1,89,230		
South Indian	3,58,90,979	4,01,48,113	4,27,06,378	4,59,62,936	5,10,28,796	5,27,50	5,42,20
Tinnevelly-Quilon	15,11,462	18,44,613					
Tirhoot	1,09,19,483	1,11,33,060	1,09,91,316	1,20,23,949	1,47,33,811	1,39,88	1,44,85
Exchange	...	...	...	...	...	2,19	2,09
Total Central	76,21,39,459	79,01,40,545	80,97,75,233	81,69,27,377	93,22,14,218	94,17,19	97,02,09
India			80,92,89,163	81,64,42,250	93,17,30,856	94,17,19	97,02,09
England	3,08,925	7,29,105	4,86,070	4,85,127	4,83,362	4,83	4,83
Total	76,24,48,384	79,08,69,650	80,97,75,233	81,69,27,377	93,22,14,218	94,22,02	97,06,92

Appendix II—*continued.*

State Railways.	Accounts. 1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Working Expenses.							
INDIA.							
State Railways worked by the State.							
Aden	2,56,014	—48,185	2,16,857	3,24,009	2,87,365	2,44	2,45
Eastern Bengal	2,25,04,170	3,02,66,454	2,98,24,284	3,76,49,787	4,40,77,284	3,83,19	4,20,51
North Western—							
Commercial lines	6,86,38,796	8,04,38,819	10,09,84,480	10,33,44,038	10,06,98,361	8,82,65	9,51,43
Non-commercial—(Strategic Lines.)				2,46,08,721	2,22,33,936	2,28,17	2,25,02
Oudh and Rohilkhand	1,32,83,182	1,82,62,800	1,94,62,004	2,58,18,184	2,61,64,731	2,31,46	2,82,82
State Railways worked by Companies.							
Assam-Bengal	62,66,776	84,18,871	83,01,024	84,38,775	92,27,437	91,05	89,53
Bengal-Nagpur	3,03,67,272	3,88,42,829	4,38,60,570	5,33,17,921	4,43,17,322	4,80,00	5,28,81
Bezwada Extension	1,68,179	2,48,211	2,87,307	4,53,144	4,78,560	3,62	4,48
Bombay, Baroda and Central India	4,19,55,223	5,33,70,406	6,75,12,138	7,99,28,942	8,24,16,577	7,29,00	7,76,57
Burma Railways	1,38,97,390	1,62,64,108					
Burma Railway Extensions	14,27,905	17,16,303	2,21,87,533	2,47,26,298	2,43,96,464	2,46,07	2,75,25
Southern Shan States	4,53,119	5,29,640					
East Indian	4,65,18,866	5,88,77,044	7,40,71,007	8,57,40,108	10,01,22,354	9,51,13	9,93,62
Great Indian Peninsula including Indian Midland	6,96,05,861	7,86,59,628	9,67,79,411	11,80,71,791	10,58,31,167		
Agra-Delhi Chord	25,44,969	29,41,579	38,72,250	43,05,257	38,08,140		
Bhopal	6,37,130	6,90,091	9,82,380	11,03,748	9,71,658	9,83,00	10,81,88
Baran-Kotah	91,657	94,468	1,62,889	1,16,928	1,14,479		
Cawnpore-Banda	1,99,214	2,51,308	3,19,083	4,34,314	3,82,129		
Jodhpore-Hyderabad (British Section)	9,37,398	10,00,697	12,48,456	15,13,210	16,43,269	19,50	17,88
Lucknow-Bareilly	13,29,501	16,91,503	19,96,187	17,56,898	20,28,000	21,50	20,39
Madras and Southern Mahratta Railway	2,68,03,903	3,17,82,724	4,17,61,942	4,59,12,876	4,73,98,926		
Mysore State lines	22,00,032	22,76,326				4,43,42	4,97,98
Dhone Kurnool	87,891	1,07,174	1,29,317	1,39,434	1,26,580		
South Indian	1,57,04,971	2,18,16,709	2,56,95,051	3,34,02,156	3,59,08,882	3,33,40	3,28,94
Tinnevelly Quilon	7,05,884	11,03,963					
Tirhoot	40,64,400	49,49,391	54,83,297	55,71,764	69,82,504	66,40	67,57
Reserve including provision to meet Customs duty charges and for writing down the value of stores.	...	...	...	...	...	...	77,91
Total Central	37,06,49,703	45,46,55,861	54,51,37,464	65,66,78,003	65,96,16,125	60,96,00	66,45,04

Appendix II—*continued.*

State Railways.	Accounts. 1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
Net Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
INDIA.							
State Railways worked by the State.							
Aden Tramway	—55,994	—71,924	52,982	—73,486	—62,739	—44	—39
Eastern Bengal	1,57,03,274	1,42,78,618	1,62,84,358	11,881	83,73,298	1,44,81	1,09,49
North-Western—							
Commercial lines	5,60,56,033	4,28,41,806	2,87,89,079	1,01,46,628	2,88,26,082	4,20,12	4,00,37
Non-Commercial—(Strategic Lines.)				—81,83,932	—67,07,641	—30,94	—26,82
Oudh and Rohilkhand	1,96,65,753	1,32,01,444	1,31,86,781	73,16,285	1,23,28,111	1,42,54	77,18
State Railways worked by Companies.							
Assam-Bengal	16,41,323	20,02,104	19,64,195	76,609	28,29,023	35,95	35,47
Bengal-Nagpur	3,15,74,098	2,70,88,563	2,00,76,829	1,34,73,242	3,27,53,888	2,90,00	3,11,19
Bezwada Extension	3,54,282	2,98,812	2,42,073	1,67,454	1,78,654	3,81	2,52
Bombay, Baroda and Central India	5,27,37,229	4,33,42,400	3,19,04,239	2,26,02,992	3,51,02,756	4,61,00	4,23,43
Burma Railways	1,24,73,091	1,34,49,941					
Burma Railway Extensions	11,17,591	9,98,424	1,04,41,486	1,04,46,985	1,63,01,594	1,66,33	1,49,75
Southern Shan States	27,708	—240					
East Indian	8,78,77,373	7,36,99,360	6,43,45,061	4,81,47,565	5,54,36,686	6,59,62	7,06,38
Great Indian Peninsula including Indian Midland	4,91,96,836	4,73,82,742	3,11,56,446	80,99,154	3,53,06,966		
Agra-Delhi Chord	19,05,984	17,57,294	11,58,417	4,02,598	12,76,256		
Bhopal	4,79,385	4,10,815	2,93,887	1,03,214	3,25,642	4,55,00	4,05,12
Baran-Kotah	91,657	94,468	...	60,314	97,482		
Cawnpore-Banda	1,21,605	1,18,879	70,171	15,993	96,140		
Jodhpur-Hyderabad (British Section)	10,53,046	5,81,042	6,30,516	4,00,968	1,32,822	1,50	3,62
Lucknow-Bareilly	18,24,795	13,11,407	9,85,539	17,45,238	16,54,574	14,47	15,23
Madras and Southern Mahratta Railway	2,74,88,726	2,56,13,232	2,04,83,598	1,95,95,993	2,54,14,628		
Mysore State lines	22,48,469	18,60,119				2,87,65	2,31,79
Dhone-Kurnool	60,823	69,655	52,766	45,743	62,650		
South Indian	2,01,86,008	1,83,31,404	1,70,11,327	1,25,60,780	1,51,19,914	1,94,10	2,13,26
Tinnevelly-Quilon	8,05,578	7,40,650					
Tirhoot	68,55,083	61,85,669	55,08,019	64,52,185	77,51,307	73,48	77,28
Reserve including provision to meet customs duty charges and for writing down the value of stores.	...	...	...	...	...	...	—77,91
Exchange	...	...	...	...	...	2,19	2,09
Total Central	39,14,89,756	33,55,84,684	26,46,37,769	16,02,49,374	27,25,98,093	33,21,19	30,59,05
England	3,08,925	7,29,105	...	...	....	4,83	4,83
Grand Total	39,17,98,681	33,63,13,789	26,46,37,769	16,02,49,374	27,25,98,093	33,26,02	30,63,88

Appendix III.

Capital Account of Indian Branch Line Companies.

Railways.	Actuals, 1922-23.		Revised Estimate, 1923-24.		Budget Estimate, 1924-25.	
	Receipts.	Withdrawals.	Receipts.	Withdrawals.	Receipts.	Withdrawals.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Ahmadabad-Dholka	...	75	...	...	...	...
Ahmedabad-Parantij	...	528	...	...	...	...
Amritsar-Patti-Kasur	—26,000	13,337	13	24	95	95
Baripada Talband including Panposh Raipura and Maykhanj	21,023	17,903	...	5	57	57
Branch lines under the Bombay, Baroda and Central India Railway	...	...	3,52	3,52	1,19	1,19
Central Provinces Railways	12,000	20,222	13	14	20	20
Chaparmukh-Silghat	64,589	43,187	15	15	16	16
Guzerat Railways	...	—1,05,818	...	...	...	...
Hardwar-Dehra	...	75,238	66	66	1,00	1,00
Katakhal-Lala Bazar	2,10,000	5,21,442	...	2,46	2,46	...
Mymensingh-Bhairab Bazar	...	...	1,84	1,84	2,00	2,00
Khulna-Bagerhat	8,050	8,653	20	10	15	26
Mandra-Bhaun	...	385	4	12	65	65
Pachora-Jamner	29,815	22,392	...	9	5	5
Sara-Seraigunj	5,719	7,669	1,87	62	11	1,38
Sialkot-Narawal	...	...	...	6	48	48
Tapti-Valley	...	43,919	...	...	...	...
Total	3,25,196	6,69,132	8,54	10,05	9,97	8,89
Net receipts or withdrawals	...	3,43,936	...	1,51	1,08	...

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